



DomaCom Fund

Product Disclosure Document

Trustee
Melbourne Securities Corporation Limited
ACN 160 326 545
AFSL No. 428289

Manager
DomaCom Australia Limited
ACN 153 951 770
AFSL No. 444365

DomaCom Fund
Product Disclosure Statement
26 April 2023
ARSN 167 020 626

Product Disclosure Document

Important Notice & Disclaimer

This Product Disclosure Statement (**PDS**) is dated 26 April 2023 and has been issued by Melbourne Securities Corporation Limited ACN 160 326 545 AFSL No. 428289 as the responsible entity and trustee (**Trustee**) of the DomaCom Fund ARSN 167 020 626 (**Fund** or **DomaCom Fund**). This PDS relates to the offer (**Offer**) of interests in the DomaCom Fund consisting of interests in the cash pool (**Cash Pool**) and units (**Units**) in Sub-Funds established in the DomaCom Fund. DomaCom Australia Limited ACN 153 951 770 AFSL No. 444365 (**DomaCom**) is the manager for the DomaCom Fund. This PDS is not required to be, and has not been, lodged with the Australian Securities and Investments Commission (**ASIC**). A Supplementary PDS will be issued with details in respect of each Sub-Fund and its Underlying Asset.

In preparing this PDS and making the Offer, the Trustee has not taken into account the investment objectives, financial situation, or particular needs of individual Investors. Investors should obtain their own independent advice and consider the appropriateness of the Offer having regard to their objectives, financial situation and needs. It is important that Investors read the entire PDS before making any investment in the DomaCom Fund. In particular, in considering the prospects of the DomaCom Fund, Investors should consider the risk factors that could affect the financial performance of the DomaCom Fund. The significant risk factors affecting the DomaCom Fund are summarised in section 7 of this PDS. The specific risks relating to specific Underlying Assets are summarised in the respective sections of this PDS relating to the type of Underlying Asset (Property Complete Interest (section 9), Property Partial Interest (section 10), Loan (section 12.3) and Special Opportunities (section 14.3)) as well as the SPDS for the Sub-Fund holding the relevant Underlying Asset.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this PDS or an SPDS. Any information or representation not contained in this PDS or an SPDS may not be relied on as having been authorised by the Trustee in connection with the Offer or the DomaCom Fund.

An investment in the DomaCom Fund does not represent a deposit with, or a liability of, the Trustee or DomaCom. An investment in the DomaCom Fund is subject to investment risk, including possible delays in repayment and loss of income or capital invested.

None of the Trustee, DomaCom or any of their directors, advisers, agents or associates in any way guarantee the performance of the DomaCom Fund, any return of capital or any particular rate of return on an investment in the DomaCom Fund and, to the maximum extent permitted by law, they each deny liability for any loss or damage suffered by any person investing in the DomaCom Fund. Investors should note that the DomaCom Fund includes a number of classes of Units, which are referred to as Sub-Funds in this PDS. The assets of one Sub-Fund are not available to satisfy liabilities in another Sub-Fund.

This PDS is available in electronic format at the DomaCom Website. If Investors receive this PDS electronically, Investors should ensure that they have received the complete Application Form and this complete PDS. If Investors are unsure whether the electronic document is complete, Investors should contact the Trustee or DomaCom. A printed copy of the PDS is available free of charge. Unless

Product Disclosure Document

otherwise determined by the Trustee, interests in the DomaCom Fund to which this PDS relates will only be issued on receipt and acceptance of an Application Form.

The Trustee authorises the use of this PDS as disclosure to clients and prospective clients of an Investor Directed Portfolio Service (**IDPS**), IDPS-like scheme such as a master trust or wrap account or nominee and custody service (each referred to as a **Platform**).

Indirect Investors should note that the operator or custodian of the Platform will be recorded in the register as the Cash Holder and/or Unit Holder in the DomaCom Fund and will have the rights attaching to the interests in the Cash Pool and/or Units in the DomaCom Fund. DomaCom is not responsible for the operation of any of the Platforms through which Indirect Investors invest. Therefore, certain rights of Cash Holders and Unit Holders will not apply to Indirect Investors investing through any of these Platforms, such as the right to receive reports and statements from the Trustee and the right to attend meetings. Indirect Investors are entitled to rely upon the complaint resolution procedures set out in section 17.10. Indirect Investors should also take into account the fees and charges of the Platform through which they are investing.

In addition to reading this PDS, Indirect Investors should also read the document which explains the relevant Platform through which they are investing.

Unless otherwise indicated, all fees set out in this PDS are inclusive of GST less any input tax credits and all dollar amounts refer to Australian Dollars (AUD).

Selling restrictions – Offers made in Australia

This Offer is open only to persons in Australia receiving this PDS, whether in paper or electronic form. This PDS does not constitute an offer or invitation in any other place. No action has been taken to register or qualify the Offer or otherwise to permit a public offering of interests in the DomaCom Fund in any jurisdiction outside Australia. Accordingly, the distribution of this PDS in jurisdictions outside Australia is limited and may be restricted by law. Persons holding copies of this PDS who are not in Australia should familiarise themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of securities law.

SMSF trustees

SMSF trustees should satisfy themselves as to the suitability of an investment in the DomaCom Fund, and in particular, a sub-fund investment (e.g. SMSF trustees should obtain and rely on their own professional advice from their tax, legal and accounting and other professional advisers in respect of the SMSF trustee's objectives, financial position or needs and suitability of the Fund). An SMSF trustee is encouraged, prior to the consummation of their investment, to ask questions of, and receive answers from, the Trustee or DomaCom concerning the Fund and to request any additional information in order to verify the accuracy of the information or otherwise.

The attention of prospective SMSF trustee investors is specifically drawn to the risk factors associated with investing in the Fund set out in [section 7 of this PDS](#). Any SMSF trustee investor who is in doubt about the investment should consult appropriately qualified persons specialising in advising on the issue of the kind in question. Where SMSF trustee investors have any queries in relation to the taxation

Product Disclosure Document

impact of their investment, they should consult a taxation advisor to determine any tax consequence applicable to their individual situation.

Currency of information

This PDS is current as at 26 April 2023. Information in this document is subject to change from time to time. If the change is not materially adverse to Investors, the Trustee may update the PDS by posting a notice on the DomaCom Website. The Trustee will provide at no charge a paper copy of the updated information on request. If there is a change that is materially adverse, the Trustee will replace this PDS or issue a Supplementary PDS.

Product Disclosure Document

Table of Contents

Letter from the Manager	9
1 The DomaCom Fund – at a Glance	12
2 About the DomaCom Fund	22
2.1 Fractional Investing	22
2.2 How is Fractional Investing different?	22
2.3 Investment overview	22
2.4 Selecting an investment that suits you	23
3 Investing in the Cash Pool	24
3.1 About the Cash Pool	24
3.2 Depositing your funds	24
3.3 Withdrawing your funds	25
3.4 Receiving your interest	25
3.5 Available Funds and Quarantined Funds	26
4 Investing in a Sub-Fund	27
4.1 About Sub-Funds	27
4.2 An Investor in a Sub-Fund is not a direct investor in the Underlying Asset	27
4.3 The decision to invest is yours	27
4.4 Segregation of Sub-Funds	28
4.5 Unit pricing	28
4.6 Distribution of Net Income	28
4.7 Provisional Amounts	29
4.8 Capital gains	30
4.9 Valuations of the Underlying Asset	30
4.10 Trading your Units in a Sub-Fund	30
4.11 Investing in a Sub-Fund	31
4.12 Campaigns	31
4.13 Quarantined Funds	31
4.14 DomaCom due diligence enquiries	32
4.15 Issuing a SPDS	32
4.16 Purchase commitment	33

Product Disclosure Document

4.17	Creating the Sub-Fund and issuing Units	33
5	Terminating a Sub-Fund	34
5.1	Terminating Complete Interest Sub-Funds	34
5.2	Terminating Partial Interest Sub-Funds	35
5.3	When a Sub-Fund is terminated	35
6	The Benefits of Investing in the DomaCom Fund	36
6.1	Access and transparency	36
6.2	Distributions	36
6.3	Capital growth	36
6.4	Asset allocation, diversification and control	36
6.5	Improved liquidity	37
7	Risks of investing in the DomaCom Fund	38
7.1	What is risk?	38
7.2	Sub-Fund specific risks	38
7.3	DomaCom Fund specific risks	40
7.4	General risks	41
8	Keeping You Informed	43
8.1	Your reports	43
8.2	Transaction confirmation statements	43
8.3	Financial year statements	43
8.4	Disclosing entity	43
9	Investment Option – Property- Complete Interest Sub-Fund	45
9.1	Additional features	45
9.2	Borrowing by a Complete Interest Property Sub-Fund	47
9.3	Benefits of Investing in a Complete Interest Property Sub-Fund	51
9.4	Risks of investing in a Complete Interest Property Sub-Fund	53
9.5	SMSF Sole Purpose Test declaration	56
10	Investment Option- Property- Partial Interest Sub-Fund	57
10.1	Benefits of Investing in a Partial Interest Property Sub-Fund	61
10.2	Risks of Investing in a Partial Interest Property Sub-Fund	63

Product Disclosure Document

11	Investment Option – Loans	65
11.1	Additional features	65
11.2	Benefits of Investing in a Loan Sub-Fund	66
11.3	Risks of Investing in a Loan Sub-Fund	67
12	Investment Option – Special Opportunity Sub-Fund	69
12.1	Additional features	69
12.2	Benefits of investing in Special Opportunity Sub-Funds	69
12.3	Risk of investing in Special Opportunity Sub-Funds	69
13	Investment Option – Equity Mortgage Sub-Funds	71
13.1	Additional features	71
13.2	Benefits of investing in Equity Mortgage Sub-Funds	72
13.3	Risk of investing in Equity Mortgage Sub-Fund	72
14	Management of the DomaCom Fund	73
14.1	The Trustee	73
14.2	The Manager	73
14.3	The Custodian	74
15	Fees and Other Costs	75
16	Taxation	86
16.1	Taxation of Managed Investment Schemes (MIS)generally	86
16.2	Taxation of the DomaCom Fund	86
16.3	Taxation of the Sub-Fund Trusts	87
16.4	Taxation of Investors	88
16.5	Goods and Services Tax (GST)	89
16.6	Stamp duty	90
17	Additional Information	91
17.1	Material contracts	91

Product Disclosure Document

17.2	Valuation Policy	97
17.3	Privacy	98
17.4	Anti-Money Laundering / Counter Terrorism Financing	98
17.5	Conflicts of interest and related party transactions	99
17.6	Investments and social security	100
17.7	Labour standards and environmental, social or ethical considerations	100
17.8	Cooling Off Periods	100
17.9	Dispute resolution	101
17.10	Enquiries and complaints	101
17.11	Consents	101
18	Glossary	103
19	Corporate Directory	110

Product Disclosure Document

Letter from the Manager

Dear Investors,

DomaCom's aim is to provide Investors with a new and exciting way to gain exposure to high value asset classes without incurring a significant outlay upfront as the cost of investing individually in a high value asset is generally beyond the reach of most investors.

Through the unique multi-asset-class Fractional Investing Platform, the DomaCom Fund not only provides retail investors with the opportunity to obtain exposure to high value investment assets, it also provides the ability for investors to select the specific assets they want an exposure to.

It's this lack of investor control over the selection and diversification decisions which the DomaCom Fund seeks to resolve for investors.

DomaCom Investors have complete control over which individual investment asset they wish to invest in. In addition, with a minimum investment amount of just \$500 for most Sub-Funds, DomaCom Investors can build a diversified portfolio of assets of their choosing and with a level of diversification that suits their personal needs and risk profile.

DomaCom offers this control to Investors through its Fractional Investing Platform. Provided enough Investor interest is obtained to invest in a particular investment asset, DomaCom will create a Sub-Fund that will invest in that asset and then issue Units in the Sub-Fund to Investors in proportion to their investment.

Some of the key benefits of the DomaCom Fund:

Access to asset classes not generally available to retail investors

Retail investors are able to obtain exposure to assets which would normally be beyond their financial reach, by indirectly acquiring the Underlying Asset (or a portion of the Underlying Asset) with other likeminded Investors.

The DomaCom Fund allows Investors to allocate their investment across a range of different asset classes including:

- Property assets across the spectrum of property classes including residential, commercial, retail, rural and industrial. There is also choice in respect of geographical location including different capital cities and regional areas across Australia.
- Loans which provide a competitive interest rate and are secured against a first registered mortgage with a conservative loan to valuation ratio.
- Other special opportunities such as startup, unique or joint ventures, that provide access to specific assets that are often not available to retail investors.

Product Disclosure Document

Ease of access and administration

Retail investors obtain exposure to different asset classes where the investment administration is managed online from the initial application to the receipt of monthly distributions. All reporting is provided electronically by DomaCom.

Certainty of income yield and acquiring incremental units in a Partial Interest Property Sub-Fund

The nature of the equity release product for a Partial Interest Property Sub-Fund allows Investors who choose to invest in that type of Sub-Fund to receive a fixed income return from the Service Fees paid by the Property Owner and therefore it is not subject to risks of tenant vacancy. It also allows Investors to increase their investment in the Property approximately every 5 years.

As with any investment, an investment in the DomaCom Fund also carries risk.

Some of the key risks include:

Withdrawing an investment from a Sub-Fund

Investments in a Sub-Fund are illiquid. Currently an investment in a Sub-Fund can only be cashed out when the Sub-Fund is terminated.

Different Sub-Funds will have different expected terms depending on a range of factors including the nature of the Underlying Asset. The expected term for a Sub-Fund will be specified in a Campaign and SPDS.

DomaCom's Australian Financial Services License does, however, authorise it to 'make a market'. This means that it can provide a liquidity facility which allows Unit Holders in a Sub-Fund to trade their Units.

DomaCom can create a market for the trading of Units in a Sub-Fund by buying Units from Unit Holders wanting to sell their Units and then selling those Units to other Investors wishing to buy those Units in the Sub-Fund.

However, DomaCom does not guarantee that it will purchase a Unit Holder's Units if a Unit Holder wishes to sell their Units, or that DomaCom will be prepared to pay the price at which a Unit Holder wishes to sell their Units.

Loss of funds

The value of an investment in a Sub-Fund will go up and down in accordance with the fluctuating value of the Underlying Asset.

Market and economic risk

All investment returns are influenced by the performance of the market in which the Underlying Asset is exposed. These market forces may impact the performance of an investment in the DomaCom Fund.

Product Disclosure Document

Reliance on platform technology

The DomaCom Fund relies on an online technology solution which is delivered by DomaCom to facilitate the transactions that are required to give effect to its unique investment model. If DomaCom ceases to provide this service or is removed as the manager, there may not be any alternative provider who can provide an adequate substitute technology system.

Full details of the risks involved in investing in the DomaCom Fund are set out in section 7.

DomaCom invites you to learn more about its products at www.domacom.com.au .

Please note

Neither DomaCom, nor its Representatives, guarantee the performance of the DomaCom Fund, the return of investment capital, the payment of any particular return or the increase in value for a Sub-Fund or an Underlying Asset or your investment.

John Elkovich

CEO DomaCom

Product Disclosure Document

1. The DomaCom Fund – at a Glance

The table below provides a general overview of the DomaCom Fund. Investors should read this PDS in full prior to deciding to invest in this Fund.

Questions	Answer	Section
What is the DomaCom Fund?	<p>The DomaCom Fund is a Managed Investment Scheme that is registered with ASIC. The DomaCom Fund allows Investors to purchase a fractional interest in an Underlying Asset, held by a Sub-Fund.</p> <p>In order to invest in a Sub-Fund an Investor must first invest in the Cash Pool.</p> <p>DomaCom will issue a SPDS in respect of each Underlying Asset and place the relevant details for each Underlying Asset on the DomaCom Website.</p> <p>If sufficient capital is raised through the Campaign to acquire the Underlying Asset, Investors who apply to acquire an interest in the Underlying Asset will ultimately be issued Units in a Sub-Fund which will acquire and hold the Underlying Asset on behalf of the relevant Investors in the DomaCom Fund.</p>	Section 2 <i>About the DomaCom Fund</i>
What asset class can I gain exposure to by investing in the DomaCom Fund?	After opening an account and investing in the Cash Pool, Investors can then invest in a Sub-Fund and gain exposure to real property, loans secured by real property, and special opportunities.	Sections 3, 9 12 and 14
Why Fractional Investing?	Fractional Investing provides Investors with the ability to gain exposure to specific, often high value assets that would otherwise not be attainable, for as little as \$500 (subject to a minimum investment in the Cash Pool). DomaCom Investors raise the funds to purchase these assets using DomaCom's unique multi-asset-class Fractional Investing	Section 2 About the DomaCom Fund

Product Disclosure Document

	Platform where Investor's funds are pooled with funds of other Investors to purchase an asset (or a portion of an asset) through a Sub-Fund.	
What does the Fund consist of?	The Fund consists of a Cash Pool and several individual Sub-Funds. Each Sub-Fund generally holds a single investment asset called an Underlying Asset.	Section 2 <i>About the DomaCom Fund</i>
What is the Cash Pool?	<p>The Cash Pool is required so that the Trustee can be satisfied that an Investor's commitment to invest in a particular Sub-Fund is fully funded.</p> <p>The Cash Pool will be held in a trust account in the name of the Custodian (on behalf of the Trustee), which will be held with ANZ and reviewed by the Trustee periodically, taking into account Investors' best interests. However, during the term of the interest rate agreement with ANZ, we will not withdraw any part of your investment in the Cash Pool except at your direction.</p>	Section 3 Investing in the Cash pool
Will interest be earned on the amount held in the Cash Pool?	<p>Yes. Any funds that an Investor has invested in the Cash Pool will earn interest for Retail Clients equal to the ANZ Official Cash Rate subject to variation from time to time (based on the rate offered by the bank with which the relevant Cash Pool is held).</p> <p>Wholesale Clients will be paid the ANZ Official Cash Rate less a fee (refer to section 15 titled Fees and Other Costs). Refer to DomaCom's website www.domacom.com.au to see the interest rates that are offered to retail and wholesale clients.</p> <p>Interest will be calculated on a daily basis and credited to an Investor's balance in the Cash Pool through their Cash Account at the end of each month.</p>	Section 3 Investing in the Cash pool
How do you invest in the Cash Pool?	You will need to complete an online Application Form and deposit a minimum of \$1,000 in the Cash Pool.	Section 3 Investing in the Cash pool

Product Disclosure Document

	<p>The Cash Pool is an interest-bearing trust account in the name of the Custodian and is held with ANZ.</p> <p>You can withdraw your Available Funds in the Cash Pool by providing notice by 1pm on a Business Day, in which case your funds will be transferred to you on the next Business Day.</p>	
How do you invest in a Sub-Fund?	<p>Once your funds have cleared in the Cash Pool, you can indicate your interest in investing in an Underlying Asset by placing a Bid through the Fractional Investing Platform. The process of securing Investor interest to purchase or finance an Underlying Asset is called a Campaign.</p> <p>If sufficient Investor Bids in a Campaign are received to enable DomaCom to make an offer, DomaCom will seek to purchase the Underlying Asset, or when the Underlying Asset is a loan, to provide the requested finance.</p> <p>If successful, a Sub-Fund will be created to hold the Underlying Asset and you will be issued Units in that Sub-Fund in proportion to the total funds raised (provided that you have subscribed for Units under the SPDS relating to the relevant Underlying Asset).</p>	<p>Section 4 Investing in a Sub-Fund</p>
Are all of the Sub-Funds pooled like the Cash Pool?	<p>No. One of the particular features of the DomaCom Fund is that the investment performance of each Sub-Fund is kept separate from any other Sub-Fund within the DomaCom Fund.</p>	<p>Section 4 Investing in a Sub-Fund</p>
What are the two main types of Underlying Assets that may be held by a Property Sub-Fund?	<p>A Property Sub-Fund will be either:</p> <ul style="list-style-type: none"> ▪ Complete Interest -The Sub-Fund will from the outset own 100% of the Underlying Asset in which case the Custodian will be the sole registered proprietor noted on the certificate of title. ▪ Partial Interest (Equity Release)- The Sub-Fund will acquire a partial interest in the Underlying Asset pursuant to an Equity Release Deed in which case the Custodian 	<p>Sections 9 and 10</p>

Product Disclosure Document

	will not be a registered proprietor, but will have rights under the Equity Release Deed. These rights will be secured by a mortgage registered on the title of the Underlying Property in the name of the Custodian.	
What is an Equity Release Deed?	An Equity Release Deed is an agreement between a Property Owner the Custodian and the Equity Release Administrator where the Property Owner sells an interest in their property to the Custodian.	Section 10 Investment Option - Property - Partial Interest Sub-Fund
What are the main classes of assets that may be held by a Sub-Fund?	The Underlying Asset of a Sub-Fund can be one of 3 asset classes: <ul style="list-style-type: none"> • Property (both Complete Interest and Partial Interest); • Loans; and • Special Opportunity, which could be represented by a debt or equity security (including units in unit trusts). 	
What does my investment in a Sub-Fund entitle me to?	<p>You receive Units in that Sub-Fund which provides you with an exposure to the Underlying Asset of that Sub-Fund.</p> <p>As a Unit Holder in a Sub-Fund, you are entitled to receive a fractional share of the Net Income (if any) of the Sub-Fund and a fractional share in the Net Sale Proceeds when the Underlying Asset is sold, and the Sub-Fund is terminated.</p>	Section 4 Investing in a Sub-Fund
What is the property investment option?	This option allows Investors to gain an exposure to the property market through a Property (for a Complete Interest) or part of a Property (for a Partial Interest) that the DomaCom Fund will acquire.	Sections 9 and 10

Product Disclosure Document

	The specific details of the Property will be set out in the SPDS.	
What is the loan investment option?	<p>This option allows Investors to gain an exposure to the loan market. All Loans will be secured by first registered mortgage over a property and will have a maximum LVR of 60%.</p> <p>The specific details of the Loan and security will be set out in the SPDS for the particular Sub-Fund.</p>	<p>Section 11</p> <p>Investment Option – Loans</p>
What is the special opportunity investment option?	<p>This option allows Investors to gain an exposure to a range of different projects which may include, for example, an exposure to a share or security in a company or acquiring units in an underlying unit trust which undertakes a property development as part of a joint venture. Details of the Underlying Asset will be set out in the SPDS for the particular Sub-Fund.</p>	<p>Section 12</p> <p>Investment Option - Special Opportunity Sub-Fund</p>
Who is the trustee, manager, and custodian of the Fund?	<p>The trustee of the Fund is Melbourne Securities Corporation Limited ACN 160 326 545 AFSL No. 428289.</p> <p>DomaCom Australia Limited ACN 153 951 770 AFSL No. 444365 is the manager of the DomaCom Fund.</p> <p>The custodian of the Fund is Perpetual Corporate Trust Limited ACN 000 341 533.</p>	<p>Section 14</p> <p>Management of the DomaCom Fund</p>
What is a Campaign?	<p>A Campaign is the term DomaCom uses to describe the part of the Fractional Investing capital raising process where Investor interest in a particular Underlying Asset is obtained.</p>	<p>Section 4</p> <p>Investing in a Sub-Fund</p>
Will distributions be paid from a Sub-Fund?	<p>Yes, you will receive distributions from a Sub-Fund in which you hold Units based on your proportional share of the Sub-Fund's Net Income, if any (which is based on your Unit holding in the Sub-Fund).</p>	<p>Section 4</p> <p>Investing in a Sub-Fund</p>

Product Disclosure Document

<p>Can I withdraw my investment from a Sub-Fund?</p>	<p>No. You cannot withdraw your investment in a Sub-Fund until the Underlying Asset is sold (or repaid for the Loan Sub-Fund) and the Sub-Fund is terminated.</p> <p>The net proceeds (if any) are distributed on a proportional basis to you and the other Unit Holders in that Sub-Fund.</p>	<p>Section 4 Investing in a Sub-Fund</p>
<p>How are Sub-Funds terminated?</p>	<p>Complete Interest Sub-Funds</p> <p>Both Unit Holders of the relevant Sub-Fund and the Trustee can initiate the termination of a Sub-Fund.</p> <p>A Sub-Fund will be terminated, and the Underlying Asset sold, on the earlier of:</p> <ul style="list-style-type: none"> • the date the DomaCom Fund is terminated; • the date determined by a resolution of Unit Holders in that Sub-Fund that hold at least 75% of all Units on issue in that Sub-Fund; • at the expiration of the term that is specified in a Campaign and SPDS unless extended by an ordinary resolution of Unit Holders in that Sub-Fund (present in person or by proxy); and • the date determined by the Trustee as the date on which the Sub-Fund is to be terminated, being a date at least 30 days after the date of the provision of notice of such termination to all Unit Holders in that Sub-Fund. <p>Partial Interest Sub-Funds</p> <p>Partial Interest Sub-Funds can only be terminated in limited circumstances pursuant to the Equity Release Deed.</p> <p>These include where the Property Owner seeks to buy-back the Sub-Fund's interest in the Underlying Property or sell the Underlying Property to a third party.</p>	<p>Section 5 Terminating a Sub-Fund</p>

Product Disclosure Document

	The Custodian can also terminate the Sub-Fund on behalf of the Trustee if the Property Owner breaches certain provisions of the Equity Release Deed and fails to remedy the relevant breach.	
What happens when a Sub-Fund is terminated?	The Trustee will sell the Underlying Asset of the Sub-Fund and then pay the net sale proceeds to the credit of Unit Holders' Cash Accounts in the Cash Pool in proportion to their Unit holding.	Section 5 Terminating a Sub-Fund -
Can I trade my Units in a Sub-Fund?	Potentially, yes. DomaCom is licensed to provide a liquidity facility which allows Unit Holders to trade their Units. However, this facility is only available if a corresponding buyer of your Units can be found.	Section 4 Investing in a Sub-Fund
What are the key benefits of investing in the DomaCom Cash Pool?	<p>Interest on funds in the Cash Pool</p> <p>You receive a competitive rate of interest on your funds in the Cash Pool.</p> <p>Overnight access to funds</p> <p>Provided DomaCom receives a withdrawal request from you before 1.00 pm on a Business Day, your Available Funds will usually be transferred overnight to your nominated personal bank account.</p>	<p>Section 6</p> <p>The Benefits of Investing in the DomaCom Fund</p>
What are the key benefits of investing in the DomaCom Sub-Funds?	<p>Control of investment decisions</p> <p>You remain in control of your investment decisions.</p> <p>Control of asset allocation</p> <p>You control your overall exposure to any Underlying Asset in accordance with your needs and risk profile.</p>	<p>Section 6</p> <p>The Benefits of Investing in the DomaCom Fund</p>

Product Disclosure Document

	<p>Diversification</p> <p>With the minimum investment in most Sub-Funds of just \$500, Investors can have a diversified portfolio across different Sub-Funds and Underlying Assets without significant costs.</p> <p>Potential Net Income from the Sub-Fund</p> <p>For those Sub-Funds that generate income from the Underlying Asset, Unit Holders will periodically receive a proportional share of the Sub-Fund's Net Income (if any).</p> <p>Potential capital growth</p> <p>Some Underlying Assets may have the prospect of capital growth which will increase the value of your Units in the Sub-Fund.</p>	
What are the key risks of investing in the DomaCom Fund?	<p>Investments in a Sub-Fund can't be withdrawn</p> <p>Investments in the Sub-Fund are illiquid and can generally only be cashed out when the Sub-Fund is terminated.</p> <p>Loss of funds</p> <p>The value of your Units in a Sub-Fund in the DomaCom Fund can go up and down in accordance with the value of the Underlying Asset. This could result in the loss of the money invested in a Sub-Fund.</p>	<p>Section 7</p> <p>Risks of investing in the DomaCom Fund</p>

Product Disclosure Document

	<p>A proposed Sub-Fund may not proceed</p> <p>If a proposed Sub-Fund does not proceed, any costs incurred will be deducted from funds that had been committed by Investors in the Campaign.</p> <p>No guarantee</p> <p>Neither the money that an Investor has invested in the DomaCom Fund or the returns earned from their investment are guaranteed.</p> <p>Market and economic risk</p> <p>Market and economic forces can impact on the value of any Underlying Asset which in turn will affect the performance a Sub-Fund.</p> <p>Reliance on platform technology</p> <p>The DomaCom Fund relies on its online technology platform to facilitate the transactions that are required to give effect to its unique investment model. If DomaCom ceases to provide this service or is removed as manager by the Trustee, there may not be any alternative provider with an appropriate technology solution.</p>	
What reports do I get?	DomaCom produces a range of transaction reports, including annual taxation statement and periodical statements.	Section 8 Keeping You Informed
What are the management fees?	<p>Management Fees in respect of the Cash Pool are up to 0.22% per annum (inclusive of GST) of the balance of your cash held in the Cash Pool.</p> <p>There are also Management Fees payable in respect of each Sub-Fund which will be</p>	Section 15 Fees and Other Costs

Product Disclosure Document

	detailed in the SPDS that is issued by the Trustee for each Sub-Fund. There are other fees and costs charged in relation to a particular Sub-Fund which may be separately recovered from the Cash Pool or Sub-Fund (as applicable).	
How can I contact DomaCom with any questions?	DomaCom can be contacted at DomaCom Australia Limited, GPO Box 1866, Melbourne Victoria 3001. An Investor can email or telephone the Client Service Centre on clientservices@domacom.com.au or 1300 365 930.	Section 19 Corporate Directory

Product Disclosure Document

2. About the DomaCom Fund

The DomaCom Fund is a fractional investing platform which is a Managed Investment Scheme that is registered with ASIC.

The DomaCom Fund is managed by DomaCom Australia Limited. The trustee of the Fund is Melbourne Securities Corporation Limited, and the custodian is Perpetual Corporate Trust Limited. For more details relating to their respective roles and obligations, refer to section 14 titled **Management of the DomaCom Fund**.

The DomaCom Fund comprises the Cash Pool and Sub-Funds. Each Sub-Fund will generally only hold one Underlying Asset.

2.1. Fractional Investing

Fractional investing is a method of raising capital through the collective effort of a large number of individual investors.

Fractional Investing provides Investors with the ability to gain exposure to specific, high value assets for a fraction of the total cost to purchase the asset. DomaCom Investors raise the funds to purchase these assets using DomaCom's unique multi-asset-class Fractional Investing Platform where Investor's funds are pooled and used to purchase an asset (or a portion of an asset) through a Sub-Fund.

2.2. How is Fractional Investing different?

Traditionally, if you wanted to raise capital to purchase an expensive investment asset, you would generally be limited to approaching just wealthy individuals or institutions. These funding sources really limit your options to a limited pool of investors.

Fractional Investing platforms on the other hand, work in the opposite way. Through DomaCom's Fractional Investing Platform, hundreds of Investors with relatively smaller amounts to invest can pool their funds with the funds of other Investors to enable the purchase of an expensive investment asset. The Investors each have an interest in the investment asset purchased.

2.3. Investment overview

The DomaCom Fund is comprised of a Cash Pool and Sub-Funds. All Investors must first invest in the Cash Pool before they can allocate their money towards a Sub-Fund. An Investors' initial investment must have been deposited into the Cash Pool for a period of at least 14 days before the Investor may use any of those funds to invest in a Sub-Fund.

Each Sub-Fund will generally relate to a single Underlying Asset that is proposed for investment by the Manager and chosen for investment by Investors. Provided sufficient capital is raised through the Campaign relating to the Underlying Asset, the Underlying Asset will be acquired by the

Product Disclosure Document

Custodian on behalf of the trustee for the Sub-Fund. Investors who have chosen to invest in the Sub-Fund will hold Units in the Sub-Fund, representing their interest in the Underlying Asset referable to the Sub-Fund.

2.4. Selecting an investment that suits you

Investing through the DomaCom Fund can be a suitable strategy for Investors in a variety of different situations, stages of life or financial positions. These may include but are not limited to:

- existing Investors;
- self-managed super funds;
- first time investors;
- investment syndicates; and
- retirees requiring income returns to supplement their income.

When deciding whether a proposed Sub-Fund and its Underlying Asset is suitable for you, you should consider whether:

- the length of time that you would like to invest (your investment time horizon) is consistent with the proposed term of the Sub-Fund;
- your appetite for investment risk (your investment risk tolerance) matches the risk associated with the Underlying Asset. You should seek advice regarding your personal investment risk tolerance from a suitably qualified adviser; and
- whether the Underlying Asset and its potential size and type of investment returns match your investment needs.
- You should seek professional investment advice from a suitably qualified investment adviser before proceeding to place a Bid in any Campaign. For more details relating to Bids and Campaigns, refer to section 4 titled **Investing in a Sub-Fund**.

Product Disclosure Document

3. Investing in the Cash Pool

3.1. About the Cash Pool

All Investors are required to open up a Cash Account to invest in the Cash Pool, prior to proposing to invest in a Sub-Fund. The Cash Pool is required so that the Trustee can be satisfied that an Investor's commitment to invest in a particular Sub-Fund is fully funded.

The Cash Pool will be held in a trust account in the name of the Custodian (on behalf of the Trustee), which will initially be held with ANZ and reviewed by the Trustee periodically, taking into account Investors' best interests.

In order to invest in a Sub-Fund of the DomaCom Fund, the amount of an Investor's investment must first be deposited in the Cash Pool. An Investor cannot invest in a Sub-Fund until their initial investment has been in the Cash Pool and the Cooling Off Period has expired.

3.2. Depositing your funds

Before depositing your funds, either you or your adviser (on your behalf) need to complete an online Application Form. This can be found on the DomaCom Website.

On this form, you will need to nominate how you are going to deposit your funds. Your options are:

- Electronic Funds Transfer (**EFT**); or
- by cheque.

The minimum initial investment amount for the Cash Pool is \$1,000.

You will also need to nominate an external bank account on your application. You can choose to have any interest you earn on your investment held in the Cash Pool and any distributions you may receive from a Sub-Fund paid into your external bank account or directed to the balance of your Cash Account.

When an Investor opens a Cash Account with the DomaCom Fund, their initial and subsequent investments in the DomaCom Fund will be placed into the Cash Pool.

All monies invested by Investors are initially pooled in the Cash Pool and are not held separately (although there are separate bank accounts for money held in the Cash Pool on behalf of Retail Clients and for money held in the Cash Pool on behalf of Wholesale Clients). DomaCom records each Investor's cash balance through their Cash Account to ensure that the quantum of each Investor's money in the Cash Pool can be identified.

The money an Investor has deposited earns interest within the Cash Pool that is calculated on a daily balance and is recorded each month through an Investor's Cash Account or paid directly into their linked bank account.

Product Disclosure Document

Any funds that a Retail Client has invested in the Cash Pool will earn interest equal to the ANZ Official Cash Rate subject to variation from time to time (based on the rate offered by the bank with which the relevant Cash Pool is held). Wholesale Clients will be paid the ANZ Official Cash Rate less a fee (refer to section 15). Monies will only be withdrawn from the Cash Pool under the relevant Investor's instructions. Refer to the DomaCom website www.domacom.com.au to see the interest rates that are offered to retail and wholesale clients.

At the date of this PDS, an agreement exists between the Trustee, Custodian and ANZ in respect of the interest rates earned by the Cash Pool. The Trustee will periodically review the investment of the Cash Pool and may after a 12 month notice period invest the Cash Pool in a different account (with ANZ or another provider) if the Trustee considers that it is in Investor's best interests to do so.

Once your funds have cleared and the Cooling Off Period has expired, you can start participating in any Campaigns that are of interest to you.

3.3. Withdrawing your funds

You can usually withdraw your Available Funds in the Cash Pool within one Business Day, provided DomaCom receives a withdrawal request by 1.00 pm on the previous Business Day.

Your withdrawal will be transferred to your nominated external bank account by EFT.

Please note however, the Trustee may suspend withdrawals from the Cash Pool in circumstances such as an emergency or other state of affairs as a result of which it is not reasonably practicable for the Trustee to satisfy withdrawals from the Cash Pool, but solely for so long as those circumstances persist.

3.4. Receiving your interest

You will receive interest on your funds held in the Cash Pool.

Interest is calculated on your daily balance and is either paid monthly into the Cash Pool (and credited to your Cash Account) or it can be paid by EFT to your nominated external bank account.

The interest rate payable to Retail Clients is the ANZ Official Cash Rate. The ANZ Official Cash Rate is a variable interest rate and generally in line with official interest rates set by the Reserve Bank of Australia. Wholesale Clients will receive the ANZ Official Cash Rate less a fee (refer to section 15). Refer to the DomaCom website www.domacom.com.au to see the interest rates that are offered to retail and wholesale clients.

Product Disclosure Document

3.5. Available Funds and Quarantined Funds

Any of your funds in the Cash Pool that you have allocated toward a Campaign (your Bids) are referred to as **Quarantined Funds** (see section 4.13 Quarantined Funds for more information).

These funds remain unavailable for withdrawal until either you withdraw your Bid/s or DomaCom fails to arrange to purchase the asset (or in the case of a loan investment, provide the finance) and the Campaign for that Underlying Asset is terminated.

At any point in time, your Available Funds is the difference between your account balance in the Cash Pool and your total Quarantined Funds.

Available Funds = Account balance in the Cash Pool – total of your Quarantined Funds

Product Disclosure Document

4. Investing in a Sub-Fund

4.1. About Sub-Funds

Each class of Units within the DomaCom Fund is referred to as a “Sub-Fund” in this PDS.

Each Sub-Fund will generally acquire a single investment asset (or part of an asset) on behalf of Investors in the Sub-Fund. This investment asset is referred to as the Underlying Asset.

When a Property Sub-Fund has a Complete Interest in an Underlying Asset, the Custodian will hold title (or be the lender on record) to the Underlying Asset from Settlement and have all the rights and obligations associated with owning the Underlying Asset, including the right to receive income on behalf of the DomaCom Fund.

When a Property Sub-Fund has a Partial Interest in an Underlying Asset, the Custodian will secure its interest in the Underlying Asset from Settlement through registering a mortgage over the Underlying Asset. Prior to Settlement the Custodian may lodge a caveat over the Underlying Asset's title to give notice of its interest in the Underlying Asset. From Settlement, it will generally share all the rights and obligations associated with owning the Underlying Asset with the Property Owner. For further information, please refer to section 10 entitled **Investment Option - Property - Partial Interest Sub-Fund**.

In relation to an Equity Mortgage Sub-Fund which is described in section 13, the Sub-Fund will consist of an income sub-class and a growth sub-class.

4.2. An Investor in a Sub-Fund is not a direct investor in the Underlying Asset

Even though an investment in a Sub-Fund simulates a direct investment in the Underlying Asset, it is important to note that it is a simulation only.

Some of the key differences between owning an asset directly compared to having an exposure to the asset through a fund structure include that an Investor that holds Units in a Sub-Fund:

- does not have any direct control over the Underlying Asset;
- does not have any right to make changes to the nature or use of the Underlying Asset;
- cannot pledge the Underlying Asset as security for debt. However, subject to the requirements of an Investor's financier, an Investor may be able to pledge their Units in the Sub-Fund as security; and
- cannot unilaterally determine when the Underlying Asset should be liquidated. However, Investors in a Sub-Fund other than a Partial Interest Sub-Fund may pass a resolution (approved by Unit Holders in that Sub-Fund that hold at least 75% of the Units on issue in that Sub-Fund) requiring the Trustee to terminate the Sub-Fund and sell the Underlying Asset.

4.3. The decision to invest is yours

It is important to remember that the decision whether to invest in a Sub-Fund is made by Investors and not by the Trustee or DomaCom. A proposal to establish a Sub-Fund or the availability of a

Product Disclosure Document

particular Sub-Fund should not be construed as an endorsement of the Underlying Asset by the Trustee or DomaCom or as a warranty or representation as to the investment potential of any Underlying Asset.

4.4. Segregation of Sub-Funds

The investment performance of your Units in a Sub-Fund is directly related to the performance of the Underlying Asset in that Sub-Fund and the fees and costs applicable to that Sub-Fund.

Investors who hold Units in the Sub-Fund will receive a share of both the Net Income of the Sub-Fund (if any) and the Net Sale Proceeds of the Underlying Asset on its eventual disposal. In this regard, their investment in the Sub-Fund simulates a direct investment in the Underlying Asset.

As a Unit Holder, your share of the Net Income and Net Sale Proceeds will be calculated as a proportion of the number of Units you hold relative to the total number of Units issued in the Sub-Fund.

It is important to note that each Sub-Fund is segregated, and both the assets and income of each Sub-Fund (if any) are held separately from any other Sub-Fund. This means that the Net Income of one Sub-Fund is not available to make good the losses of another Sub-Fund. Likewise, the assets of one Sub-Fund are not available to settle the liabilities of another Sub-Fund.

The structure of an Equity Mortgage Sub-Fund and its sub-classes is slightly different to the description above and is set out in section 13.

4.5. Unit pricing

When Units are first issued in a Sub-Fund, the price of each Unit is \$1.00.

The Unit Price of a Unit (after the initial issue of Units in the Sub-Fund) is determined by dividing the value of the Underlying Asset and any other assets held by the Sub-Fund (less any liabilities attributable to the Sub-Fund) by the number of Units issued in the Sub-Fund. The frequency of the unit pricing will be dependent upon the Underlying Asset and will be set out in the SPDS.

Some aspects of the formula used to calculate the Unit Prices may involve the Trustee exercising discretion in accordance with the law. The Trustee has a policy regarding its use of discretion in Unit pricing and must keep records relating to the use of its discretion. The Trustee must keep these documents for 7 years after they cease to be current. Investors may obtain copies of these documents from the Trustee at no charge.

4.6. Distribution of Net Income

Depending on the type of Underlying Asset in the Sub-Fund in which you invest, you might be entitled to receive regular income distributions. Information relating to the frequency of expected distributions will be detailed in the SPDS issued for each potential Sub-Fund.

At the end of each distribution period, DomaCom will calculate the Net Income for that period.

Product Disclosure Document

Each Property Sub-Fund that acquires a Complete Interest in the Underlying Asset will distribute to Unit Holders 100% of the Net Income it receives (subject to Provisional Amounts, discussed below).

Each Property Sub-Fund that acquires a Partial Interest in the Underlying Asset will distribute to Unit Holders an amount derived from the Service Fees paid by the Property Owner.

Any Distributions are paid periodically (if the relevant Sub-Fund has earned Net Income in a particular period) and can be either paid into your nominated bank account or paid to the credit of your Cash Account and held within the Cash Pool where the funds can be withdrawn or invested into another Sub-Fund later.

Distributions will be calculated on a pro rata basis based on the proportion of Units held in a Sub-Fund. Generally, distributions are paid monthly. However, this frequency may vary depending on the Underlying Asset held in a Sub-Fund.

Set out below is an example of the method used for calculating the monthly Net Income of a Complete Interest Sub-Fund.

Monthly Net Income = Monthly Gross Income from the Underlying Asset

LESS

All the expenses incurred for the month in maintaining and administering the Sub-Fund and the Underlying Asset which relates to both direct and indirect expenses which have been paid by the Sub-Fund. The allocation of indirect expenses such as trustee and custody fees, audit and compliance fees are undertaken on the basis of the size of the Sub-Fund in relation to the total assets of the DomaCom Fund.

For more details regarding the typical costs incurred by a particular type of Sub-Fund, please refer to the sections relating to the relevant types of investment options (section 9, 10, 11, 12, or 13).

4.7. Provisional Amounts

Provisional Amounts are only relevant to Complete Interest Sub-Funds. Partial Interest Sub-Funds do not require Provisional Amounts as an Investor's income is fixed irrespective of the expenses to be incurred.

In respect of Complete Interest Sub-Funds, they are required to meet certain costs associated with the Underlying Asset. To help ensure these costs can be met, Complete Interest Sub-Funds may maintain Provisional Amounts to meet ongoing running costs.

Meeting the ongoing costs and any Provisional Amounts from Gross Income will in turn reduce the Net Income of a Complete Interest Sub-Fund and ultimately, the Distributions to Investors.

DomaCom may require Investors to fund any Provisional Amounts at the time of Settlement. If so, any proposed Provisional Amounts will be disclosed in the SPDS.

Product Disclosure Document

Once a Complete Interest Sub-Fund is established, any Gross Income earned by the Underlying Asset may be set aside to maintain these Provisional Amounts.

Provisional Amounts are held in reserve and are an asset of the Complete Interest Sub-Fund.

If a Complete Interest Sub-Fund is unable to meet its costs and Provisional Amounts out of Gross Income, any shortfall amounts can be funded through the issuing of additional Units in the Complete Interest Sub-Fund.

If there is insufficient interest from Investors to purchase these additional Units, the Trustee has the right to wind up the Sub-Fund and sell the Underlying Asset to settle the Complete Interest Sub-Fund's debts.

For more details, please refer to section 5 titled **Terminating a Sub-Fund**.

4.8. Capital gains

If the Underlying Asset held by the Sub-Fund that you have invested in has increased in value at the time it is sold, you should generally receive a capital distribution (if the Underlying Asset is held on capital account).

When a Sub-Fund is terminated, DomaCom will procure the sale of the Underlying Asset and pay the Unit Holders in the Sub-Fund their proportionate share of the net proceeds after deducting any appropriate fees and costs.

Similarly, if the value of your Units in a Sub-Fund has increased at the time, they are traded through the market created by DomaCom, you should also receive a capital payment.

Please note that where a Sub-Fund's Underlying Asset is a Loan there will not be capital gains.

4.9. Valuations of the Underlying Asset

The Underlying Asset held within a Sub-Fund is subject to a valuation process to ascertain its market value and the subsequent valuation of Units held in the Sub-Fund.

The method and frequency of valuations differ between Sub-Funds depending on the nature of the Underlying Asset.

For more details regarding the valuation of a Sub-Fund's Underlying Asset, please refer to section 17.2 **Valuation policy**.

4.10. Trading your Units in a Sub-Fund

DomaCom's Australian Financial Services License authorises it to 'make a market'. This means that it can provide a liquidity facility which allows Unit Holders in a Sub-Fund to trade their Units.

This occurs by DomaCom acting as principal buyer and seller of Units in a Sub-Fund (not as a market operator).

Product Disclosure Document

DomaCom can create a market for the trading of Units in a Sub-Fund by buying Units from Unit Holders wanting to sell their Units and then selling those Units to other Investors wishing to buy those Units in the Sub-Fund.

However, DomaCom will only enter into these transactions if, for a sale of Units, there is a corresponding buyer for those Units. Any trade is contingent on there being both a buyer and a seller of the same number of Units at the same price from whom DomaCom can buy and sell Units.

Therefore, your ability to trade your Units in a Sub-Fund is reliant on there being sufficient investment and Investors to create liquidity.

4.11. Investing in a Sub-Fund

Once the Cooling-Off Period in relation to an investment in the Cash Pool has expired, Investors will be able to make an investment in one or more Sub-Funds. To help Investors find an Underlying Asset that is of interest to them, DomaCom will list details of various investment opportunities available for investment on the DomaCom Website.

In order to invest in a Sub-Fund, Investors must participate in a Campaign by placing a Bid, reading and accepting the SPDS relating to the Campaign when it is issued and applying to invest in the relevant Sub-Fund.

4.12. Campaigns

All Campaigns available through the DomaCom Fund are 'fixed price campaigns' which means that the acquisition price of the Underlying Asset is known and fixed. Investors can simply bid the amount that they want to invest based on the known acquisition price.

If the total value of Investor Bids reaches the required amount, the Campaign will close to new Bids. The relevant SPDS will then be issued online, and upon the Investors accepting to invest, the Sub-Fund will be established. DomaCom will then attempt to purchase the asset or make the loan as described in the SPDS.

4.13. Quarantined Funds

By making a Bid, Investors authorise DomaCom to make the amount of their Bid (plus an estimate of their proportionate share of Campaign and other costs, which may include Acquisition Costs, Provisional Amounts, and upfront financing costs) unavailable for withdrawal from their Cash Account (**Quarantined Funds**).

Investors will be informed, at the time they make their Bid, of the actual Campaign and other costs to be used in determining the amount to be quarantined. An Investor will not be permitted to bid if they have insufficient funds in the Cash Pool to make their Bid and pay these costs.

An Investor will continue to earn interest on their Quarantined Funds over this period.

Product Disclosure Document

4.14. DomaCom due diligence enquiries

During the Campaign process, DomaCom will undertake several steps which are designed to provide Investors with more information on the Underlying Asset itself.

The following steps are undertaken:

- **legal due diligence** to confirm the ownership credentials of the counterparty (if applicable) and the legal status of the ownership structure (if applicable); and
- an **asset due diligence** on the Underlying Asset itself. This is to ascertain that the value of the Underlying Asset is in line with the anticipated price that is expected to be paid.

For details of the types of costs incurred during DomaCom's due diligence process and how these costs are treated if DomaCom succeeds or fails to purchase the Underlying Asset, please refer to section 15 titled Fees and Other Costs.

At this point, if the independent valuation of the Underlying Asset is outside the valuation parameters set by DomaCom, or if any of DomaCom's due diligence enquiries raise any issues considered by DomaCom to be significant, DomaCom reserves the right to terminate the Campaign.

However, if DomaCom decides to continue with the Campaign, any variation will be noted in the SPDS.

It is important to note, if a Campaign fails and a Sub-Fund is not established for the Underlying Asset (including because there is insufficient interest from Investors in respect of the Underlying Asset), Investors that had an Active Bid when the Campaign Costs were incurred will be liable for these costs (in a proportion that is equal to the amount of their Bid divided by the sum of all Active Bids at the time the Campaign Costs were incurred).

4.15. Issuing a SPDS

Once a Campaign has been completed, DomaCom will then issue a SPDS to Investors (or their advisers).

A SPDS is issued for each prospective Sub-Fund and will contain specific information about the Underlying Asset that will be held by the Sub-Fund.

A SPDS will include details such as:

- a description of the Underlying Asset;
- the Campaign Price;
- the date when subscriptions for Units in the Sub-Fund will be closed;
- the expenses associated with investing in the Sub-Fund (to the extent that they are known);
- the fees and charges levied by the DomaCom Fund against the Sub-Fund;
- if the Sub-Fund will be geared, an overview of the terms of the relevant loan agreement including the term of the loan, the interest rate, the gearing ratio and the interest cover ratio (including and excluding cash reserves); and
- likely or anticipated income yield (if applicable) that is to be derived from the Underlying Asset.

Product Disclosure Document

4.16. Purchase commitment

In order to invest in the Sub-Fund for that Underlying Asset, an Investor with an Active Bid will need to accept the offer to subscribe for Units contained in the SPDS.

Once an offer to subscribe for Units under a SPDS is accepted, an Investor's Quarantined Funds will remain Quarantined Funds until one of the following three events occur:

- the listing fails to attract enough Investor subscriptions to take up the entire offer within the allotted Listing Period of up to 90 days. DomaCom can extend the Listing Period at its discretion, for further periods of up to 10 days, if it believes that the capital raising can be successfully completed within the additional time period;
- Settlement fails; or
- Settlement occurs.

4.17. Creating the Sub-Fund and issuing Units

Once all the Investors in a Campaign (or the advisers on their behalf) subscribe for Units under a SPDS (assuming the relevant level of Investor subscriptions are received), DomaCom will approach the counterparty to acquire the Underlying Asset.

If DomaCom is successful in negotiating the acquisition of the Underlying Asset, DomaCom will create a Sub-Fund within the DomaCom Fund and the Custodian of the Fund will acquire the Underlying Asset through the Sub-Fund.

The Campaign Costs and Acquisition Costs will then be charged to the Sub-Fund and Units are then issued to Investors in proportion to the amount of money that they Bid compared to the total Units issued.

Product Disclosure Document

5. Terminating a Sub-Fund

There are several situations that can result in the termination of a Sub-Fund. There is also a difference between termination of Complete Interest Sub-Funds and Partial Interest Sub-Funds.

A summary of these situations is provided below. For more detailed information, please refer to section 17 entitled **Additional Information**.

5.1. Terminating Complete Interest Sub-Funds

(a) Termination at the end of the initial term

The initial term for the proposed Sub-Fund is detailed in the SPDS.

Unless the initial term is extended by the Unit Holders in the Sub-Fund or terminated earlier in accordance with the Constitution, the Sub-Fund will terminate at the end of the initial term.

The initial term of a Sub-Fund can be extended by an ordinary resolution of Unit Holders of that Sub-Fund (present in person or by proxy) provided that any Unit Holders who voted against the extension are withdrawn from the Sub-Fund, by other Unit Holders either purchasing the Units of those Unit Holders or subscribing for Units to fund their withdrawal.

If DomaCom can't find Investors to purchase all the Units of the Unit Holders who voted against the extension, or Investors to subscribe for Units to fund the withdrawal of Unit Holders who voted against the extension, then the Trustee would be forced to terminate the Sub-Fund.

(b) Termination by Unit Holders

Unit Holders of a Sub-Fund can vote to terminate their Sub-Fund provided the vote is carried by Unit Holders who collectively hold at least 75% of the Units on issue in that Sub-Fund.

Unit Holders of a Sub-Fund can also indirectly trigger the termination of a Sub-Fund if they vote to either:

- change the trustee of the Sub-Fund (who is the Trustee); or
- change the custodian of the DomaCom Fund.

(c) Termination when a Sub-Fund can't meet its debts

On a month by month basis, a Sub-Fund must pay the expenses related to the maintenance and management of the Underlying Asset (if applicable).

These expenses must be paid out of the Gross Income or Provisional Amounts of the Sub-Fund.

If the monthly expenses of a Sub-Fund can't be funded from the Gross Income of the Sub-Fund for that month or from Provisional Amounts, Unit Holders in the Sub-Fund will be given the opportunity to fund these costs by subscribing for additional Units in the Sub-Fund pro rata to their Unit holding in the Sub-Fund.

Product Disclosure Document

If the Unit Holders do not subscribe for all the Units within the period specified by DomaCom, other Investors may be given the opportunity to subscribe for Units in the Sub-Fund (which will dilute existing Unit Holders' proportionate interests).

Ultimately, if the Units are not fully subscribed after this process, the Trustee has the right to terminate the Sub-Fund and sell the Underlying Asset to settle the Sub-Fund's debts.

(d) Termination by the Trustee

The Trustee has broad powers in relation to the termination of both a Sub-Fund and the DomaCom Fund itself.

Provided the Trustee complies with the appropriate notices to Unit Holders, the Trustee can terminate a Sub-Fund at its discretion.

The Trustee also has the power to terminate the DomaCom Fund. If the Trustee exercises this right and the DomaCom Fund is terminated, all the Sub-Funds held within the DomaCom Fund would also be terminated.

5.2. Terminating Partial Interest Sub-Funds

A Partial Interest Sub-Fund will only be terminated where the underlying Equity Release Deed is terminated. There are generally 4 ways that this may happen:

- (a) **Death-** If the Property Owner dies;
- (b) **Buy-Back-** If the Property Owner seeks to buy-back the Sub-Fund's interest in the Property;
- (c) **Third Party sale-** If the Property Owner seeks to sell the Property to a third party; or
- (d) **Breach-** If the Property Owner breaches certain provisions of the Equity Release Deed, the Custodian (on behalf of the Trustee) will sell the Property and the Sub-Fund will be terminated.

While Unit Holders can technically vote to terminate the Partial Interest Sub-Fund in a similar manner to the termination of a Complete Interest Sub-Fund as set out in section 5.1(b), the terms of the Equity Release Deed preclude the Trustee from terminating the Equity Release Deed other than as set out above. Therefore, notwithstanding the Unit Holder vote, the Trustee would be required to continue holding the interest under the Equity Release Deed for the term of the Equity Release Deed and would then proceed to terminate the Sub-Fund at the end of the term in accordance with section 5.3 below.

5.3. When a Sub-Fund is terminated

The Underlying Asset will be sold and after deducting any outstanding fees and costs and other liabilities, the Net Sale Proceeds will be distributed proportionately among the Unit Holders of the Sub-Fund. The Sub-Fund will then be terminated.

Product Disclosure Document

The distribution of the Net Sale Proceeds will be paid to Investors within 10 Business Days of the Net Sale Proceeds being received.

6. The Benefits of Investing in the DomaCom Fund

6.1. Access and transparency

The Fund provides access to a range of assets which would often not be available to Retail Clients due to their high cost, as direct investment generally requires large available investment funds or borrowings to secure the investment. In comparison, Investors with access to investment funds representing as little as \$500 (subject to a minimum initial investment in the DomaCom Fund of \$1,000 in the Cash Pool) can gain investment exposure to high value assets by acquiring Units in a number of DomaCom Sub-Funds.

In addition, Investors can identify and view information about the specific Sub-Fund and Underlying Asset in which they indirectly invest, something that is difficult to achieve with a traditional investment in a 'pooled' investment fund. Investors will have access to the Fractional Investment Platform that will provide information that is very similar to the type of information that Investors might see online about any investment.

6.2. Distributions

Retail Clients in the Cash Pool will be invested in an ANZ bank account and earn interest, which will be calculated daily and paid monthly, at a rate equal to the ANZ Official Cash Rate subject to variation from time to time (based on the rate offered by the bank with which the Cash Pool is held). Wholesale Clients will receive the ANZ Official Cash Rate less a fee (refer to section 15). The way in which the Cash Pool is invested, and the interest rates are subject to change from time to time. Refer to the DomaCom website www.domacom.com.au to see the interest rates that are offered to retail and wholesale clients.

An Investor who becomes a Unit Holder in a sub-Fund also receives any Distributions from the Sub-Fund (provided the Sub-Fund generates a Net Income) which are paid to them, generally within 5 Business Days of receipt by the Custodian, into the Cash Pool (and credited to their Cash Account) or into their nominated external bank account.

These Distributions primarily reflect the income generated by the Underlying Asset held in the Sub-Fund. These returns are generally paid, after fees and costs, to the Investors who hold Units in the Sub-Fund, subject to any Provisional Amounts.

6.3. Capital growth

If the value of an Underlying Asset in a Sub-Fund increases in value, so too will the value of the Units held by Investors in that Sub-Fund. Of course, if the value of the Underlying Asset falls, the value of the Units in the Sub-Fund will also fall. Accordingly, Investors may suffer a capital loss.

Product Disclosure Document

6.4. Asset allocation, diversification, and control

The DomaCom Fund allows Investors to gain an exposure to a number of investment sectors in accordance with their risk profile, spreading risk across multiple investments both within the DomaCom Fund and as a separate asset class within an Investor's overall investment portfolio.

Many Investors find it difficult to diversify their exposure to direct investments given the significant costs involved in directly purchasing a single asset. By investing through the DomaCom Fund, Investors can achieve comprehensive diversification across multiple sectors by making a number of smaller investments in a range of Sub-Funds that they have selected across asset classes, each of which generally holds a single Underlying Asset. Investing this way means that Investors can control their investment decisions.

By diversifying their portfolio in this way, Investors in the DomaCom Fund are able to spread their exposure to various asset classes by making smaller investments across a number of different Sub-Funds, providing them with the opportunity to reduce the risks associated with placing a large investment into just one direct asset class. Investors are also able to keep their exposure to each asset class in proportion to the recommended asset allocation for their risk profile, something which is likely to be harder to achieve when investing directly into a single direct asset.

6.5. Improved liquidity

DomaCom may make a market in the Units. This means that DomaCom may from time to time make offers to purchase and sell Units.

However, DomaCom does not guarantee that it will make any offer to purchase Units and may elect to only do so if there are potential buyers of the Units from DomaCom, and if it is prepared to pay the price at which the Units are being offered for purchase.

For more details relating to DomaCom making a market, please refer to the Financial Services Guide on the DomaCom Website.

Product Disclosure Document

7. Risks of investing in the DomaCom Fund

7.1. What is risk?

Understanding investment risk is a key component to successfully developing an Investor's investment strategy. Before Investors consider their investment strategy, it is important that Investors understand the following:

- all investments are subject to risk;
- different investment strategies carry different levels of risk depending on the underlying assets that make up the strategy;
- assets with the potential for the highest long-term returns may also carry the highest level of short-term risk;
- the value of an Investor's investment will go up and down in accordance with the value of the Underlying Asset(s) referable to the Sub-Fund(s) that Investors have invested in;
- returns are not guaranteed;
- Investors may lose money;
- the law affecting registered Managed Investment Schemes may change in the future; and
- an Investor's personal investment risk tolerance is determined by an Investor's goals, age and investment time frame, and these factors will all have an important impact on an Investor's decision.

7.2. Sub-Fund specific risks

Liquidity risk

Investors will have no rights to withdraw from any Sub-Fund until the Sub-Fund is terminated, and the Underlying Asset is sold. For more details regarding the termination of a Sub-Fund, please refer to section 5 titled **Terminating a Sub-Fund**.

Campaign Costs risk

An Investor that participates in a Campaign and has had an Active Bid which fails to result in the formation of a Sub-Fund, will be liable (in a proportion that is equal to the amount of their Bid divided by the sum of all Active Bids at the time the Campaign Costs were incurred) for the due diligence costs incurred by DomaCom with respect to the Underlying Asset to which the Campaign related.

Risks of damage to, or loss of, an Underlying Asset

There are a range of events that can impact the value of any Underlying Asset referable to a Sub-Fund – ranging from acts of God (fire, flood, earthquake other natural disasters) through to accidents, negligence, and failures of maintenance (if the underlying assets are of a physical nature). These events may negatively impact the value of an Underlying Asset which in turn will negatively impact the value of the Units in the corresponding Sub-Fund.

Product Disclosure Document

Whilst DomaCom cannot entirely remove such risks, it seeks to mitigate these risks by ensuring where possible that all Underlying Assets are properly insured.

Costs risk associated with each Underlying Asset

Each Sub-Fund will incur its own unique costs in relation to the acquisition and maintenance of that Underlying Asset.

There will also be costs associated with the management of the Underlying Asset.

If a Complete Interest Sub-Fund's expenses relating to an Underlying Asset cannot be funded from the Gross Income of the Sub-Fund or the Provisional Amounts, Investors will be given the opportunity to subscribe for Units in the Sub-Fund to fund those expenses pro rata to their Unit holding in the Sub-Fund.

The risk associated with the value of each Underlying Asset

Each individual Underlying Asset referable to a Sub-Fund could be negatively impacted due to a specific event affecting an Underlying Asset. For examples of the types of events that might impact a particular Underlying Asset, please refer to the investment option sections in this PDS (sections 9-12).

The risk associated with the return from each Underlying Asset

There is also a risk that the income return of a Sub-Fund may be different from the income that could otherwise be earned if a direct investment was made in an equivalent asset, due to the costs associated with managing the Sub-Fund.

Counterparty risks

There is the risk that counterparties to contracts that the Trustee or DomaCom have entered into on behalf of the DomaCom Fund fail to comply with their obligations. Failure of a counterparty to comply with contractual obligations could have a negative impact on the income of the relevant Sub-Fund or the value of an Underlying Asset and/or the value of an Investor's investment.

Failure to proceed with a Sub-Fund

The DomaCom Fund relies on a series of contractual and other relationships in order to simulate an investment in a direct asset.

Accordingly, if any one of the parties to any one of the contracts that are required to give effect to the ultimate transaction fail to proceed or are in breach of their obligations, there is a risk that such failure could mean that the relevant Sub-Fund will not be established.

Product Disclosure Document

Taxation implications

Investment in the different Sub-Funds and sub-classes (where applicable) will result in different taxation treatment. It is important that Investors understand the taxation treatment of their investment or seek personal taxation advice.

Further, if there are insufficient Investors interested in investing in a Sub-Fund, then that Sub-Fund for which Investors have made a commitment will not be formed and Investors will not be able to ultimately invest in the Sub-Fund referable to that Underlying Asset. Investors who have bid for the proposed Sub-Fund may be liable for costs incurred towards the establishment of the proposed Sub-Fund and the due diligence relating to the Underlying Asset, even though the Sub-Fund is not ultimately created.

For details of Sub-Fund specific risks based on the asset class of the Underlying Asset (or Loan), please refer to the relevant sections that appear in each investment option's section of this PDS (sections 9-13).

7.3. DomaCom Fund specific risks

The following is a summary of what DomaCom considers to be the significant risks of investing in the DomaCom Fund and its underlying investments. Investors should carefully consider the following significant risk factors that may affect the performance of the DomaCom Fund before making a decision to invest in the DomaCom Fund.

Interest rate risk in the Cash Pool

Interest rates fluctuate from time to time, depending on a range of circumstances wholly outside the control of DomaCom and the DomaCom Fund. Changes in interest rates may have a negative impact, either directly or indirectly, on investment returns.

Failure to offer to purchase Units

Units issued in each Sub-Fund are not redeemable. DomaCom in accordance with its AFSL (AFSL No. 444365) may make a market in the Units. This means that DomaCom may from time to time make offers to purchase Units. However, DomaCom does not guarantee that it will make any offer to purchase Units and may elect to only do so if there are potential buyers of the Units from DomaCom, and it is prepared to pay the price at which the Units are being offered for purchase.

Any investment decision must take into account and be made on the basis that DomaCom may never arrange for the purchase of your Units.

Change to Trustee

The Trustee may retire or be removed as trustee of the DomaCom Fund, and there is a risk that there may be no other person willing or available to become the trustee. When Unit Holders approve the change of Trustee to another entity for a Sub-Fund or pass an extraordinary resolution to change the Custodian, the DomaCom Fund or relevant Sub-Fund will be terminated.

Product Disclosure Document

Reliance on platform technology

The DomaCom Fund relies on an online technology solution (the Fractional Investing Platform) which is delivered by DomaCom to facilitate the transactions that are required to give effect to its unique investment model. If DomaCom ceases to provide this service or is removed as the manager by the Trustee, there may not be any alternative provider able to provide an appropriate technology solution.

7.4. General risks

The main risks that typically affect all investments are:

General market and economic risk

All investment returns are influenced by the performance of the market in which the underlying investments are exposed. The forces of supply and demand, interest rates, global events and the state of the domestic economy can all have an impact on both the value of investments in various markets and the returns generated by these investments.

Events including changes in economic, social, technological, or political conditions, together with market sentiment, may have a negative effect on the pricing or value of investments within a particular market. An Investor should consider the possible impact of these types of market events on the values of the Underlying Assets prior to making any investment decision.

Due to the nature of the Fund, general market risk must be considered as a major factor impacting any investment in the Fund. The whole investment market may decline, reflecting trends in Australian or overseas markets due to a range of factors including but not limited to the over-supply of a particular investment asset, demographic changes, interest rate movements, general economic conditions reflecting a downturn and market sentiment. Due to the nature of investments, a general downturn in investment markets can potentially cause a reduction in the value of an Underlying Asset and ultimately a reduction of the value of an investment in a Sub-Fund. The value of an Underlying Asset may be impacted by changes in the official cash rate as determined by the Reserve Bank of Australia due to a range of factors such as Australian and overseas interest rates, market liquidity, exchange rates, fiscal policy, and other economic, political and social changes.

Legal and regulatory risk

There is a risk that domestic or international laws or regulations may change, adversely impacting the regulation of the DomaCom Fund and resulting in less rigorous regulatory supervision of transactions and the reporting that is performed by managers and their custodians. Legal risk also includes the risk of losses occurring because of legal issues, principally losses arising out of the non-enforceability or non-enforcement of contracts. Non-enforcement may arise from insufficient documentation, insufficient capacity or authority of a counterparty, uncertain legality or unenforceability resulting from bankruptcy or insolvency.

Product Disclosure Document

Whilst neither the Trustee nor DomaCom can predict either the likelihood of the occurrence of, or the specific outcome of, any of these risks, there is a possibility that due to any of these factors, the performance of the DomaCom Fund may be negatively impacted.

SMSF regulatory risk

There is a risk that SMSF trustees may make property investment decisions that may not be compliant with the Superannuation Industry (Supervision) Act 1993 (Cth) (**SISA**) and Investors are required to seek their own SMSF compliance advice.

Two key regulatory risks related to SMSF investment that need to be considered are:

- Sole Purpose Test

Broadly, SMSF trustees must ensure that each investment is made and maintained solely to provide retirement benefits to members and, on a member's death, to provide benefits to the deceased member's dependents and for any ancillary purposes permitted under the SISA.

Thus, acquiring an SMSF interest in a DomaCom Sub-Fund with the purpose of, for example, providing residential accommodation to a member or related party (as broadly defined), could result in a contravention of the Sole Purpose Test with consequential penalties.

An SMSF trustee can make a declaration to confirm the Sole Purpose Test for which the investment is made or maintained. Refer to section 9.5 regarding SMSF Sole Purpose Test declarations for more details.

- In-house assets test

Broadly, SMSF trustees must ensure that no more than 5% of SMSF assets are invested in in-house assets.

Where an SMSF and its related parties own more than 50% of a DomaCom Sub-Fund, the Sub-Fund may be viewed as a related trust by the Australian Tax Office (ATO). If the Sub-Fund that is a related trust either leases its underlying property to a related party (e.g., to a family member) or the Sub-Fund borrows moneys, then the Sub-Fund investment is **likely to be** an in-house asset.

Thus, if the level of the SMSF's in-house assets exceeds 5% of the SMSF's assets, the SMSF trustee **may** be in breach of the SISA.

Product Disclosure Document

8. Keeping You Informed

8.1. Your reports

On becoming an Investor in the Cash Pool, an Investor can log onto the DomaCom Website and view the details for their Cash Account balance, each of their individual Sub-Funds (including details of the Underlying Assets) and the status of their Bids in various Campaigns.

A number of reports related to an Investor's investments are available, including an annual report that provides details of an Investor's holdings and transactions for the past year. These reports are available for downloading and printing via the DomaCom Website using an Investor's private login access. Investors will be notified by email when any new report is available.

8.2. Transaction confirmation statements

Investors receive transaction confirmation statements whenever a deposit or withdrawal is made from the Cash Pool, or an investment is made in a Sub-Fund. These reports are available online and can be downloaded from the DomaCom Website.

Generally, these reports are available within 5 Business Days of an Investor's application being accepted and processed.

8.3. Financial year statements

You also receive an annual statement at the end of the financial year (30 June) including an:

- annual tax statement providing details of an Investor's financial year tax information;
- annual statement providing details of an Investor's investments; and
- annual report providing details of the DomaCom Fund itself.

These reports are also available online and can be downloaded from the DomaCom Website.

For SMSF Investors, the annual tax statement will also indicate whether the SMSF trustee has made an SMSF Sole Purpose Test declaration as set out in section 9.5.

8.4. Disclosing entity

Under the Corporations Act, the DomaCom Fund is a "disclosing entity". As such, the Trustee is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the DomaCom Fund may be obtained from, or inspected at, an ASIC office.

You have a right to obtain a copy of the following documents at no charge:

- the annual financial report most recently lodged with ASIC for the DomaCom Fund;
- any half-year financial report lodged with ASIC for the DomaCom Fund after the lodgement of the annual financial report; and

Product Disclosure Document

- any continuous disclosure notices given for the DomaCom Fund after the lodgement of that annual report.

As a “disclosing entity”, the Trustee has continuous disclosure requirements and must disclose information to you which may have a material effect on the price or value of Units or would be likely to influence persons who commonly acquire or dispose of Units. We comply with the continuous disclosure obligations required by law by the updating of information contained within this PDS on our website (in accordance with the good practice guidance in ASIC Regulatory Guide 198 Unlisted disclosing entities: Continuous disclosure obligations).

Please call DomaCom and they will provide you with a copy of the requested document within 5 days. DomaCom intends to post continuous disclosure information on the DomaCom Website.

Product Disclosure Document

9. Investment Option – Property- Complete Interest Sub-Fund

9.1. Additional features

A Complete Interest Sub-Fund that has a Property as its Underlying Asset has several particular features to consider in addition to those described in section 4 titled **Investing in a Sub-Fund**. These features are detailed below.

The SPDS

A SPDS for a Complete Interest Property Sub-Fund will contain additional specific information about the Property that is proposed to be held by the Sub-Fund (the Underlying Asset) such as:

- a description of the Property including its location, physical description, and land size;
- expenses associated with DomaCom's due diligence process such as the cost of the legal review and the Property inspections and valuations;
 - Acquisition Costs such as stamp duty fees (if applicable) and agent's fees;
 - fees to be charged to the Property Sub-Fund by DomaCom;
 - a high-level overview of the terms of the relevant loan agreement if the Sub-Fund will be geared including the term of the loan, the interest rate, the gearing ratio, and the interest cover ratio (including and excluding cash reserves); and
 - a high-level overview of the tenant lease terms if an agreement is in place.

If all the Investors in a Campaign subscribe for Units under a SPDS and a Property is successfully purchased, you will be issued your Units in the Sub-Fund.

Property Manager

After Settlement, DomaCom will procure the appointment of a licensed real estate agent as the property manager for the Sub-Fund. The Property Manager will be responsible for all property management functions typically undertaken by a property manager of a rental property, including procuring tenants, collecting rental payments, and managing lease expiries.

Property Managers are authorised to spend up to a pre-determined, agreed amount with DomaCom for 'one-off' repairs and maintenance items. Any costs which exceed this amount are referred to DomaCom for approval.

Tenants and rental income

If the Underlying Property is tenanted, it will be subject to a lease agreement drafted in accordance with the relevant state or territory tenancy legislation.

The rent and any other fees required to be paid under a lease agreement will be the main source of the Gross Income of the Sub-Fund.

Rent will be based on commercial market rents and will generally be paid in advance to the Property Manager at the beginning of each rental period. The Property Manager will then generally

Product Disclosure Document

send this income (after deducting its fees) to the Custodian within 5 Business Days prior to the end of the rental period.

Distribution of Net Income

The method for calculating the periodic Net Income of a Property Sub-Fund appears below.

Net Income = Rents and other payments for the period

LESS

**All the Property and Sub-Fund expenses for that period
which have been paid in relation to the Sub-Fund**

Periodic property expenses will typically relate to costs incurred for the management, repair and maintenance of the Underlying Property, interest, and other financing costs (where applicable) and the fees paid to the Property Manager.

What happens if the tenant can't or won't pay their rent?

If at some point the tenant has failed to pay rent or to meet any other obligations under the lease agreement, DomaCom will take the necessary steps to require the tenant to remedy the failure. If the tenant does not remedy the failure to pay rent or satisfy any other obligations under the lease, DomaCom may act to evict the tenant.

Any legal costs incurred by DomaCom to recover rent owing by a tenant are payable from the Gross Income of the Sub-Fund. Recovering these expenses will in turn reduce the Net Income of the Sub-Fund and ultimately the Distribution to Investors in the Sub-Fund.

If a Sub-Fund's enforcement action expenses relating to an Underlying Property cannot be funded from the Gross Income of the Sub-Fund or the Provisional Amounts, then the next step would be to undertake a supplementary capital raise with Investors.

If this was not successful and at the end of the process, the Sub-Fund was unable to meet its costs, the Trustee has the right to sell the Underlying Property and wind up the Sub-Fund to settle the Sub-Fund's debts in accordance with the funding process described in section 5.3.

Property valuations

For each Property that is the subject of a Campaign, an independent pre-purchase valuation is to be obtained before the Property is purchased.

Once a Property is purchased through a Sub-Fund, the Property is also subject to an annual valuation to ascertain the market value of the Property and the value of the Units held in the Sub-Fund.

For an existing Property, the annual valuation is done on an 'as is basis'.

For a development Property, the annual valuation is done on an 'as is' and 'as if complete' basis.

Product Disclosure Document

Valuations can also occur within 2 months of DomaCom forming the view that there is a likelihood that there has been a material change in the value of the Property.

The Australian Property Institute's definition of market value is:

"Market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The Trustee has adopted the benchmark requirements in relation to valuation recommended by ASIC Regulatory Guide 46 Unlisted property schemes: Improving disclosure for retail investors (RG 46).

DomaCom, as the manager, appoints suitably qualified valuers who are required to undertake independent valuations in accordance with the valuation timetable.

In addition, they must:

- be suitably qualified to carry out a valuation and possess at least 5 years' appropriate experience;
- be authorised under the law of the State or Territory where the valuation takes place to practice as a valuer (if applicable);
- be a member of the Australian Property Institute and categorised as a Certified Practising Valuer by that institute;
- possess professional indemnity insurance cover of at least \$5 million from a reputable and creditworthy insurer;
- be independent of the Trustee and DomaCom, and have no pecuniary interest or other conflict of interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the market value or that could conflict with a valuation of the Property;
- not be a company acting for a vendor (i.e. as agent or adviser on the sale of the Property to the Sub-Fund); and
- value a Property for the Sub-Fund on no more than three consecutive occasions (valuer's cycle) to ensure diversity and rotation.

9.2. Borrowing by a Complete Interest Property Sub-Fund

The Trustee has a gearing policy which sets out a maximum gearing ratio of 60% (based on the market value of an Underlying Property) on an individual credit facility and Sub-Fund level. The gearing ratio is calculated as follows:

$$\text{Gearing ratio} = \frac{\text{Total interest-bearing liabilities}}{\text{Total assets}}$$

Product Disclosure Document

The Trustee maintains and complies with a gearing policy that governs the level of interest cover at an individual credit facility level at the time of entering into the lending agreement. The minimum interest cover ratio at an individual credit facility level and at a Sub-Fund level is 1 times income (including cash reserves). This means that the Sub-Fund is positively geared and has sufficient rental income generated from the Property to cover the interest expense. However, under RG 46 the interest cover ratio is calculated as follows:

$$\text{Interest cover ratio} = \frac{\text{EBITDA} - \text{unrealised gains} + \text{unrealised losses}}{\text{Interest expense}}$$

Accordingly, the Trustee will disclose the interest cover ratio for a Sub-Fund including and excluding cash reserves.

The gearing policy also provides that:

- interest expenses will not be capitalised;
- the Trustee will only make distributions from interest on cash held in the Cash Pool and any net cash from operations (primarily net rent) in respect of an Underlying Property. The Trustee will not make distributions of capital (unless necessary on the realisation of an Underlying Property) or unrealised valuation gains; and
- all loans made to a Sub-Fund must be limited recourse to the financier to the assets of that Sub-Fund.

The specific high level details of each credit facility will be set out in the SPDS of the relevant Sub-Fund.

ASIC Regulatory Guide 46 disclosures

Benchmarks	Summary	Further Details
Gearing Benchmark 1: Gearing policy and Disclosure Principle 1: Gearing ratio	Benchmark 1 requires the Trustee to maintain and comply with a written policy that governs the level of gearing at an individual credit facility level. The Trustee meets this benchmark and has a gearing policy which sets out a maximum gearing ratio of 60% (based on the market value of an Underlying Property) on an individual credit facility and Sub-Fund level.	Section 9.2 and refer to the SPDS for the relevant Sub-Fund for the gearing ratio that will apply to a Sub-Fund

Product Disclosure Document

Interest cover Benchmark 2: Interest coverage policy and Disclosure Principle 2: Interest coverage ratio	<p>Benchmark 2 requires the Trustee to maintain and comply with a written policy that governs the level of interest cover at an individual credit facility level.</p> <p>The Trustee meets this benchmark.</p> <p>The minimum interest cover ratio at an individual credit facility level and at a Sub-Fund level is at least 1 times income (including cash reserves) at the time of entry into a loan agreement. This means that the Sub-Fund is positively geared and has sufficient rental income generated from the Property to cover the interest expense. Refer to section 9.2 as to how this is calculated.</p>	Section 9.2 and refer to the SPDS for the relevant Sub-Fund for the interest coverage ratio that will apply to a Sub-Fund
Interest capitalisation Benchmark 3: Interest capitalisation	<p>The Trustee meets this benchmark. The interest expense of a Sub-Fund is not capitalised.</p>	NA
Scheme borrowing Disclosure Principle 3: Scheme borrowing	<p>This disclosure principle generally requires a high-level overview of the terms of each credit facility.</p> <p>The Trustee will comply with the disclosure requirements relating to this disclosure principle on a Sub-Fund by Sub-Fund basis in the SPDS for the Sub-Fund and on an ongoing basis on the Fractional Investing Platform for each Sub-Fund.</p>	Section 9.2
Portfolio diversification Disclosure Principle 4: Portfolio diversification	<p>Each Sub-Fund generally invests in only one Underlying Property. Details of each Underlying Property are set out in the SPDS issued in respect of that Underlying Property.</p> <p>Investors will only have exposure to the Underlying Property (through the Sub-Fund) that they select. Sub-Funds can invest in any one property in any location in Australia, and in any sector (e.g., industrial, commercial, retail, or residential). DomaCom will appoint a licensed real estate agent as a property manager for each property. The Property Manager will be responsible for all property management functions typically</p>	Section 2

Product Disclosure Document

	undertaken by a property manager of a rental property including securing tenants, collecting rental payments, and managing leases.	
Valuations Benchmark 4: Valuation Policy	<p>The Trustee meets this benchmark.</p> <p>The Trustee has adopted a written Valuation Policy for the DomaCom Fund that governs the minimum requirements for an independent valuation to be required and establishes the guidelines for the appointment of the valuer.</p> <p>DomaCom's real property policy and procedures can be found on its website or by clicking the following link https://domacom.com.au/corporate/governance/</p>	Section 9.1 and 17.2
Related party transactions Benchmark 5: Related party transactions and Disclosure Principle 5: Related party transactions	<p>The Trustee meets this benchmark. The Trustee maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.</p>	Section 17.5
Distribution practices Benchmark 6: Distribution practices and Disclosure Principle 6: Distribution practices	<p>The Trustee meets this benchmark as it will only make distributions from interest on cash held in the Cash Pool and any Net Income from operations (primarily net rent) in respect of an Underlying Property. The Trustee will not make distributions of capital (unless necessary on the realisation of an Underlying Property) or unrealised valuation gains.</p>	Section 4.6

Product Disclosure Document

Withdrawal arrangements Disclosure Principle 7: Withdrawal arrangements	Investors can generally withdraw from the Cash Pool at any time. However, the Trustee has discretion to suspend withdrawals from the Cash Pool if it reasonably determines that it is in the best interest of Investors as a whole to do so. Each Sub-Fund is an illiquid investment. Investors will not be able to withdraw their investments in a Sub-Fund until the Sub-Fund is terminated.	Section 3.3 and 5
Net tangible assets Disclosure Principle 8: Net tangible assets	The initial net tangible assets (NTA) of each Sub-Fund will be set out in the SPDS relating to each Underlying Property. The NTA for each Sub-Fund is calculated monthly and published on the DomaCom Website at 6 monthly intervals. The NTA per Unit is calculated by reference to the annual valuation of the Underlying Property less any outstanding expenses related to that property divided by the number of Units on issue in the Sub-Fund. The Sub-Fund will not hold any tangible assets other than money held in a deposit account and the Underlying Property.	Refer to the SPDS for the relevant Sub-Fund

9.3. Benefits of Investing in a Complete Interest Property Sub-Fund

Distributions

An Investor in a Property Sub-Fund receives any Distributions from the Sub-Fund which are payable to them, generally within 5 Business Days of receipt by the Custodian, to the balance of their Cash Account or into their nominated linked bank account.

These Distributions primarily reflect rent paid by tenants of the Underlying Property. These returns are generally paid, after fees and costs, to the Investors who hold Units in the Sub-Fund associated with each Underlying Property.

Capital growth and diversification

If the value of an Underlying Property increases in value, so too will the value of the Units held by Investors in that Sub-Fund. Of course, if the value of the Underlying Property falls, the value of the Units in the Sub-Fund will also fall. Accordingly, Investors may suffer a capital loss. However, the ability to spread their risk across multiple Underlying Property investments by investing in a number of Sub-Funds provides a degree of diversification in comparison to having made a direct investment in a single Underlying Property.

Product Disclosure Document

Asset allocation

The DomaCom Fund allows Investors to gain an exposure to the property sector in accordance with their risk profile, spreading risk across multiple investments both within the DomaCom Fund and as a separate asset class within an Investor's overall investment portfolio.

Property sector diversification and control

Many Investors find it difficult to diversify their exposure to the direct property market given the significant costs involved in directly purchasing a single property. To achieve this diversification in the past, Investors have generally had to invest through a property fund where their investments are pooled, and the property investment decisions are made by the manager. By investing through the DomaCom Fund, Investors can achieve diversification within the property sector by making a number of smaller investments in a range of Sub-Funds that they have selected, each of which generally holds a single Underlying Property. Investing in this way means that Investors have more control over their investments.

Investors in the DomaCom Fund can spread their exposure to the property sector by making smaller investments across a number of different Sub-Funds providing them with the opportunity to reduce the risks associated with placing a large investment into just one direct property (which they might have to do if they were to invest in property directly). Investors are also able to maintain their exposure to the property market in proportion to their preferred asset allocation for property investments for their risk profile, something which is likely to be harder to achieve when investing directly in property.

Improved access

Purchasing a property directly generally requires a large amount of investment funds or borrowings to secure the investment. In comparison, Investors with access to investment funds representing as little as \$500 for most Sub-Funds can gain investment exposure to an Underlying Property by acquiring Units in a DomaCom Sub-Fund.

Transparency

Investors can identify and view information about the specific Sub-Fund and Underlying Property in which they indirectly invest, something that is difficult to achieve with a traditional investment in a property fund. Investors also have access to an online platform that will provide information that is very similar to the type of information that Investors might see online about any investment property, including details regarding the age, condition, type and location of the Underlying Property.

Borrowing

Lenders pre-approved by DomaCom and the Trustee can lend to a Sub-Fund. A loan reduces the amount of equity capital required to purchase an Underlying Property. Using a loan to assist in financing the acquisition of a Property increases the potential for gains (and losses) in respect of an investment in a Sub-Fund. That is, if the Property increases in value, then Investors should receive

Product Disclosure Document

an even higher percentage increase in the value of their capital Invested. However, if the Property decreases in value, borrowing also accentuates the potential losses.

For example, if:

- a Property is valued at \$500,000 on acquisition;
- an interest only loan of \$200,000 is used to fund the acquisition;
- after year two the Property increases in value by 10% (\$550,000), the value of the equity attributable to the investor in the Sub-Fund will increase by 16.67% (i.e. $\$50,000/\$300,000$); and
- after year two the Property decreases in value by 10% (\$450,000), the value of the equity attributable to the investor in the Sub-Fund will decrease by 16.67% (i.e. $1 - (\$250,000/\$300,000)$).

9.4. Risks of investing in a Complete Interest Property Sub-Fund

These are risks specific to each Complete Interest Property Sub-Fund and the individual properties in which these Sub-Funds invest.

SMSF regulatory risks

There is a risk that SMSF trustees may make property investment decisions that may not be compliant with the SISA and Investors are required to seek their own SMSF compliance advice.

These are discussed under section 7.4 above and section 9.5 below.

Failure to rent an Underlying Property

There is a risk that the Property Manager may not be able to find a tenant to lease the Underlying Property. If this occurs, it is likely that there will be no distributions paid by the Sub-Fund. There is also a risk that tenants may not be able to be found for all parts of the Underlying Property, resulting in Net Income being lower than anticipated or there being no Net Income at all (and potentially costs to be covered by the Unit Holders that have subscribed for Units or will subscribe for subsequent Units).

If an Underlying Property is untenanted (or only partially tenanted) when it is purchased, and DomaCom considers that there may be insufficient Gross Income to cover costs relating to the Underlying Property, DomaCom will require Investors to fund Provisional Amounts which reflect an estimate of the costs that DomaCom expects will be incurred until a tenant is found and as a reserve amount for situations where the repairs and maintenance are over and above the norm, as well as for situations where unexpected costs occur.

If the Provisional Amounts are insufficient to pay such costs, then the Trustee may issue further Units in the Sub-Fund to Unit Holders. If not, all Unit Holders subscribe for the further issue of Units, then the Trustee may offer the remaining Units to other Investors for subscription. If not all new Units are fully subscribed, the process fails and the Trustee will be entitled to wind-up the Sub-Fund and sell the Underlying Property to settle any debts.

Product Disclosure Document

Risks of damage to or loss of an Underlying Property

There are a range of events that can impact the value of any Underlying Property referable to a Sub-Fund – ranging from acts of God (fire, flood, earthquake other natural disasters) through to accidents, negligence, and failures of maintenance. These events may negatively impact the value of an Underlying Property which in turn will negatively impact the value of the Units in the corresponding Sub-Fund.

Whilst DomaCom cannot entirely remove such risks, it seeks to mitigate these risks by:

- ensuring that all Underlying Properties are properly insured; and
- allocating Property Managers to all Underlying Properties and requiring annual inspections of those Properties.

Costs risk associated with each Underlying Property

Each Underlying Property will incur its own unique costs in relation to the acquisition, the maintenance, and the repair of that Underlying Property. As a consequence, all Investors should be particularly aware of the age and condition of the Underlying Property that they are interested in investing in.

There will also be costs associated with the management of the Underlying Property, such as the fee paid to the Property Manager and costs associated with entering into leases.

If a Sub-Fund's expenses relating to an Underlying Property cannot be funded from the Gross Income of the Sub-Fund, Investors will be given the opportunity to subscribe for Units in the Sub-Fund to fund those expenses pro rata to their Unit holding in the Sub-Fund. If:

- a Unit Holder does not take up additional Units offered or does not take up a portion of the further Units offered that is equal to the portion of all the Units in the Sub-Fund that a Unit Holder already holds and another Unit Holder or a third party acquires those Units, the Unit Holders' interest in the Sub-Fund will be diluted; or
- not all the further Units in the Sub-Fund are subscribed then the Trustee may wind up the Sub-Fund.

The risk associated with the value of each Underlying Property

Each individual Underlying Property referable to a Sub-Fund could be negatively impacted due to an Underlying Property specific event. For example, changes to local zoning rules or aircraft flight paths or the building of council related facilities nearby are just a short list of the type of changes that could affect the value of an Underlying Property.

"Off the plan" developer failures

For Sub-Funds investing in "off the plan" Properties, there is a risk that the underlying developer of the Property may not be able to complete the development.

Product Disclosure Document

“Off the plan” settlement time

Where Sub-Funds invest in “off the plan” Properties, the settlement period for these Properties is often a lot longer than the settlement period for existing Properties.

“Off the plan” pricing risks

Where Sub-Funds invest in “off the plan” Properties, there is a risk that the Property built is valued less at the time of Settlement than the original contracted purchase price. Further, the assumptions on which such valuations are based may prove to be inaccurate.

“Off the plan” delivery risks

Where Sub-Funds invest in “off the plan” Properties, there is a risk that the Property built does not match the Property as described by the developer in the development plan. This may affect the valuation of the delivered Property.

If the variation is significant, then the Custodian (on behalf of the Sub-Fund) may not proceed with the contract (if it has a right to terminate) or there may be a dispute with the vendor. Any settlement money held for a Sub-Fund may be used to fund a dispute with the vendor and if such money is not sufficient, a supplementary raising for the Sub-Fund may be required.

The risk associated with the return from each Underlying Property

There is a risk that the income return of a Sub-Fund may be different from the rent that could otherwise be earned if a direct investment was made in an equivalent Property due to different costs associated with managing the Sub-Fund.

The rent earned in relation to an Underlying Property will initially be held by the Property Manager before being paid to the Custodian. There is a risk that the Property Manager may not pay the rent to the Custodian in a timely manner or at all.

Borrowing risks

There are various risks associated with using loans to finance the acquisition of a Property. These risks include:

- Fluctuations in inflation and interest rates may affect the income and resale value of a Property.
- Using a loan to assist in financing the acquisition of a Property increases the potential for gains and losses in respect of an investment in a Sub-Fund. That is, if the Property increases in value, then Unit Holders should receive an even higher percentage increase in the value of their capital invested. However, if the Property decreases in value, borrowing also accentuates the potential losses.
- If the term of the Sub-Fund extends beyond the term of the loan, the loan will need to be renegotiated or refinanced at the end of the term of the loan. The interest payable under the renegotiated or refinanced loan may increase or decrease, thus affecting the performance of the Sub-Fund. There is no certainty that the loan will be able to be refinanced.

Product Disclosure Document

- Interest will still need to be paid even if the Property or part of the Property is vacant. This will mean that interest may need to be funded from reserves (if any), and Investors may need to contribute further equity to pay interest charges, or the Property will need to be sold.

The specific arrangements that will apply in respect of a particular Sub-Fund will be set out in the SPDS for the Sub-Fund.

9.5. SMSF Sole Purpose Test declaration

Broadly, SMSFs must ensure that each investment is made solely to provide retirement benefits to members and any ancillary purpose permitted under the SISA. Given there is a possibility that an SMSF could invest in a DomaCom Sub-Fund that, in turn, invests in residential premises that could be leased or used by a related party of the SMSF (e.g., the SMSF members or their relatives), the ATO could take enforcement action against an SMSF if there was a contravention of the Sole Purpose Test under section 62 of the SISA.

An SMSF that invests in a DomaCom Sub-Fund that holds a residential property can sign an 'SMSF Sole Purpose Test declaration' to confirm the investment in the Sub-Fund is being acquired solely for retirement purposes in compliance with the Sole Purpose Test. The key elements of the declaration are:

- The investment in the Sub-Fund is in compliance with the SMSF's investment strategy.
- This investment is made with the purpose of providing retirement benefits for the SMSF's members.
- The decision to invest has not been influenced or made for the collateral purpose of providing any non-retirement benefit to the SMSF members, their relatives, or related parties.
- The SMSF trustee has not and will not influence the Manager, Trustee, Custodian or Property Manager in relation to any tenancy of a Property owned by a DomaCom Sub-Fund.
- The SMSF trustee has not and will not influence anyone to become a tenant of a Property owned by a DomaCom Sub-Fund.

An SMSF trustee will be asked to make this declaration when they apply to invest in a Sub-Fund either by accepting an SPDS or via a secondary market purchase. A copy of this signed declaration will be stored by DomaCom and made available to the ATO and/or the SMSF auditor on request.

If this declaration is signed by an SMSF trustee and reviewed regularly and provided to the ATO and the SMSF's auditors when requested, the ATO will generally not review the SMSF's activities in the investment in regards to the Sole Purpose Test even if a related party to the SMSF members became a tenant of the Property.

However, the ATO will undertake the appropriate review of the investment if they are subsequently made aware of evidence that indicates the SMSF trustee has acted inconsistently with the declaration (for example, but not limited to, through an auditor contravention report).

Product Disclosure Document

10. Investment Option- Property Partial Interest Sub-Fund

A Partial Interest Sub-Fund allows Property Owners to enter into an agreement with the Custodian (**Equity Release Deed**) to sell part of their Property in exchange for an agreed cash payment (**Pay Out Amount**). The interest in the Property will be held by the Partial Interest Sub-Fund in which Investors can invest.

After Settlement, the relevant Property Sub-Fund will become a co-owner in the Property with the Property Owner. The joint ownership will be in proportion to each party's interests.

Through entering into the Equity Release Deed, the Property Owner agrees to pay certain ongoing fees which are paid through transferring additional equity in the Property to the Sub-Fund (generally every 5 years). Therefore, it is expected that approximately every 5 years there will be an opportunity for a Unit Holder to purchase additional Units in the Partial Interest Sub-Fund and increase their exposure to the Property.

Investors in Partial Interest Sub-Funds are entitled to income from their investment (notional rent - paid through Service Fees) and a share of any sale proceeds when the Property is ultimately sold. The notional rent rate will be fixed from the outset and will be disclosed in the SPDS.

As a co-owner of the Property with the Property Owner, the Sub-Fund will be liable to share certain costs with the owner such as property maintenance and insurance costs in proportion to their interests in the Property. The costs will be deducted from Investor returns. Further information will be contained in the relevant SPDS.

The SPDS

A SPDS for a Partial Interest Property Sub-Fund will contain additional specific information about the Property that is proposed to be invested in by the Sub-Fund (the Underlying Asset) such as:

- the value of the Property as well as the proposed interest the DomaCom Fund will acquire;
- the amount of notional rent to be received;
- a projection of the amount of time until all the Property Owner's equity in the Property is exhausted;
- a description of the Property including its location, physical description, and land size;
- expenses associated with DomaCom's due diligence process such as the cost of the legal review and the Property inspections and valuations;
- fees to be charged to the Partial Interest Property Sub-Fund by DomaCom; and
- outline of the risks associated with an investment in a Partial Interest Property Sub-Fund.

If all the Investors in a Campaign subscribe for Units under the SPDS and an interest in the Property is successfully purchased, they will be issued Units in the Sub-Fund.

Notional rental income

The Property Owner's obligations under the Equity Release Deed includes the requirement to pay Service Fees (from which the notional rent is derived). The base Service Fee rate is 4.4% of the Pay Out

Product Disclosure Document

Amount. This Service Fee may be higher depending on factors such as the Property Owner's age, gender, and the Pay Out Amount they requested. The exact Service Fee will be set out in the SPDS.

3% of the Service Fee goes towards paying Investors an annual income return (notional rent). A portion of the Service Fee is retained as a longevity reserve to be applied to pay the notional rent in circumstances where the Property Owner has exhausted all of the equity in their home but are still entitled to remain in their Property. However, there is no guarantee that the longevity reserve will be sufficient to continue paying the notional rent for the entire period in which the Property Owner is entitled to remain in their Property. The balance of the Service Fee is applied towards the management of the Sub-Fund and property management.

Property valuations

For each Property that is the subject of a Campaign, an independent pre-purchase valuation is to be obtained before an interest in the Property is purchased.

Once an interest in the Property is purchased through a Sub-Fund, the Property is also subject to regular valuations.

The Trustee has adopted the benchmark requirements in relation to valuation recommended by ASIC in RG 46.

Property Manager

After Settlement, DomaCom will procure the appointment of a licensed real estate agent as the property manager for the Sub-Fund. The Property Manager will be responsible for property management functions typically undertaken by a property manager of a rental property.

DomaCom, as the manager, will appoint suitably qualified valuers who are required to undertake independent valuations in accordance with the valuation timetable.

In addition, the valuers must:

- be suitably qualified to carry out a valuation and possess at least 5 years' appropriate experience;
- be authorised under the law of the State or Territory where the valuation takes place to practice as a valuer (if applicable);
- be a member of the Australian Property Institute and categorised as a Certified Practising Valuer by that institute;
- possess professional indemnity insurance cover of at least \$5 million from a reputable and creditworthy insurer;
- be independent of the Trustee and DomaCom, and have no pecuniary interest or other conflict of interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the market value or that could conflict with a valuation of the Property and an interest in the Property;
- not be a company acting for a vendor (i.e. as agent or adviser on the sale of the Property interest to the Sub-Fund); and

Product Disclosure Document

- value a Property interest for the Sub-Fund on no more than three consecutive occasions (valuer's cycle) to ensure diversity and rotation.

ASIC Regulatory Guide 46 disclosures

Benchmarks	Summary	Further Details
Gearing Benchmark 1: Gearing policy and Disclosure Principle 1: Gearing ratio	<p>Benchmark 1 requires the Trustee to maintain and comply with a written policy that governs the level of gearing at an individual credit facility level.</p> <p>The Trustee meets this benchmark and has a gearing policy which sets out a maximum gearing ratio of 60%.</p> <p>There will not be any borrowing for a Partial Interest Property Sub-Fund.</p>	NA
Interest cover Benchmark 2: Interest coverage policy and Disclosure Principle 2: Interest coverage ratio	<p>Benchmark 2 requires the Trustee to maintain and comply with a written policy that governs the level of interest cover at an individual credit facility level.</p> <p>The Trustee meets this benchmark however there will not be any borrowing in a Partial Interest Property Sub-Fund. The interest cover ratio is not relevant as there are no borrowings for a Partial Interest Property Sub-Fund and no interest to be paid.</p>	NA
Interest capitalisation Benchmark 3: Interest capitalisation	<p>The Trustee meets this benchmark. The interest expense of a Sub-Fund is not capitalised.</p> <p>However, there will not be any borrowing in a Partial Interest Property Sub-Fund.</p>	NA
Scheme borrowing Disclosure Principle 3:	<p>This disclosure principle generally requires a high-level overview of the terms of each credit facility.</p>	NA

Product Disclosure Document

Scheme borrowing	There will not be any borrowing in a Partial Interest Property Sub-Fund.	
Portfolio diversification Disclosure Principle 4: Portfolio diversification	<p>Each Sub-Fund invests in only one Underlying Property. Details of each Underlying Property are set out in the SPDS issued in respect of that Underlying Property.</p> <p>Investors will only have exposure to the Underlying Property (through the Sub-Fund) that they select.</p> <p>Sub-Funds can invest in any one property in any location in Australia, and in any sector (e.g., industrial, commercial, retail or residential).</p>	Section 2
Valuations Benchmark 4: Valuation Policy	<p>The Trustee meets this benchmark.</p> <p>The Trustee has adopted a written Valuation Policy for the DomaCom Fund that governs the minimum requirements for an independent valuation to be required and establishes the guidelines for the appointment of the valuer.</p> <p>DomaCom's real property policy and procedures can be found on its website or by clicking the following link https://domacom.com.au/corporate/governance/</p>	Section 10 and 17.2
Related party transactions Benchmark 5: Related party transactions and Disclosure Principle 5: Related party transactions	The Trustee meets this benchmark. The Trustee maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.	Section 17.5
Distribution practices Benchmark 6: Distribution practices and Disclosure Principle 6:	The Trustee meets this benchmark as it will only make distributions from interest on cash held in the Cash Pool and any Net Income from operations (notional rent) in respect of an Underlying Property. The Trustee will not make distributions of capital (unless necessary on the	Section 4.6

Product Disclosure Document

Distribution practices	realisation of an Underlying Property) or unrealised valuation gains.	
Withdrawal arrangements Disclosure Principle 7: Withdrawal arrangements	Investors can generally withdraw from the Cash Pool at any time. However, the Trustee has discretion to suspend withdrawals from the Cash Pool if it reasonably determines that it is in the best interest of Investors as a whole to do so. Each Sub-Fund is an illiquid investment. Investors will not be able to withdraw their investments in a Sub-Fund until the Sub-Fund is terminated.	Section 3.3 and 5
Net tangible assets Disclosure Principle 8: Net tangible assets	The initial NTA of each Sub-Fund will be set out in the SPDS relating to each Underlying Property. The NTA for each Sub-Fund is calculated monthly and published on the DomaCom Website on six monthly intervals. The NTA per Unit is calculated by reference to the annual valuation of the Underlying Property less any outstanding expenses related to that property divided by the number of Units on issue in the Sub-Fund. The Sub-Fund will not hold any tangible assets other than money held in a deposit account and the Underlying Property.	Refer to the SPDS for the relevant Sub-Fund

10.1. Benefits of Investing in a Partial Interest Property Sub-Fund

Distributions

An Investor in a Partial Interest Sub-Fund receives any Distributions from the Sub-Fund which are payable to them, generally within 5 Business Days of receipt by the Custodian, to the balance of their Cash Account or into their nominated linked bank account.

These Distributions reflect the notional rent paid by the Property Owner of the Underlying Property.

Certainty of yield

Investors in a Partial Interest Sub-Fund will know the expected income return as the amounts are fixed in advance pursuant to the Equity Release Deed with the Property Owner.

Capital growth and diversification

If the value of the interest in the Underlying Property increases, so too will the value of the Units held by Investors in that Sub-Fund. Of course, if the value of the interest in the Underlying Property falls, the value of the Units in the Sub-Fund will also fall. Accordingly, Investors may suffer a capital loss. However, the ability to spread risk across multiple Underlying Property investments by investing in a

Product Disclosure Document

number of Sub-Funds provides a degree of diversification in comparison to having made a direct investment in a single Underlying Property.

Income certainty

Partial Interest Sub-Funds will never have vacancy issues as the occupancy of Underlying Property is not relevant to Investors as the return paid is derived from the Service Fees paid by the Property Owner. The Property Owner is obligated to pay these fees throughout the term of the Equity Release Deed by selling additional interests in the Underlying Property. Should the Property Owner's interests in the Underlying Property be exhausted over time, the Equity Release Administrator has an obligation to continue to pay Investors their income yield until the Equity Release Deed is terminated.

Aligned interests

Property Owners have an equitable interest in the Underlying Property and are more likely to maintain the Property in a state of good repair.

Asset allocation

The DomaCom Fund allows Investors to gain an exposure to the property sector in accordance with their risk profile, spreading risk across multiple investments both within the DomaCom Fund and as a separate asset class within an Investor's overall investment portfolio.

Property sector diversification and control

Many Investors find it difficult to diversify their exposure to the direct property market given the significant costs involved in directly purchasing property. To achieve this diversification in the past, Investors have generally had to invest through a property fund where their investments are pooled, and the property investment decisions are made by the manager. By investing through the DomaCom Fund, Investors can achieve diversification within the property sector by making a number of smaller investments in a range of Sub-Funds that they have selected, each of which generally holds a single Underlying Property or an interest in a single Underlying Property. Investing in this way means that Investors have more control over their investments.

Investors in the DomaCom Fund can spread their exposure to the property sector by making smaller investments across a number of different Sub-Funds providing them with the opportunity to reduce the risks associated with placing a large investment into just one direct property (which they might have to do if they were to invest in property directly). Investors are also able to maintain their exposure to the property market in proportion to their preferred asset allocation for property investments for their risk profile, something which is likely to be harder to achieve when investing directly in property.

Improved access

Purchasing a property directly generally requires a large amount of investment funds or borrowings to secure the investment. In comparison, Investors with access to investment funds representing as little as \$500 for most Sub-Funds can gain investment exposure to an Underlying Property by acquiring Units in a DomaCom Sub-Fund.

Product Disclosure Document

Transparency

Investors can identify and view information about the specific Sub-Fund and Underlying Property in which they indirectly invest, something that is difficult to achieve with a traditional investment in a property fund. Investors also have access to an online platform that will provide information that is very similar to the type of information that Investors might see online about any investment property, including details regarding the age, condition, type, and location of the Underlying Property.

10.2. Risks of Investing in a Partial Interest Property Sub-Fund

(a) Default by a Property Owner

Under an Equity Release Deed, there is a risk that a Property Owner may default on their obligations. Generally, a default by the Property Owner entitles the Sub-Fund to exercise a power of sale. This may crystallise the asset prematurely.

(b) Property Owner exhausts the equity in Underlying Property

Under an Equity Release Deed, there is a risk that over time a Property Owner may exhaust the equity in the Underlying Property. DomaCom will have limits on the percentage of equity that can initially be released on entry into an Equity Release Deed based on a Property Owner's life expectancy. These limits (based on actuarial life expectancy calculations) will reduce the risk that a Property Owner will exhaust the equity in the Underlying Property.

However, in the event that a Property Owner does exhaust the equity in the Underlying Property, the Trustee will call on a Deed of Payment, the agreement entered into with the Equity Release Administrator, to continue to pay a 3.88% per annum return to the Sub-Fund (based on the value of the Property, reset every 5 years). There is no guarantee that the Equity Release Administrator will be fully funded to have sufficient money available to make the payments required to make under the Deed of Payment. However, actuarial calculations have been undertaken to minimize this risk.

(c) Investment term uncertainty

Under an Equity Release Deed, there are limited circumstances when the Equity Release Deed will be terminated, and the Property sold (enabling an Investor to receive their capital including any potential capital gain). These include when the last registered proprietor (as at Settlement) dies or when the Property Owner seeks to buy the Property interest back from the Fund or when the Property Owner agrees to sell it to a third party. As the Property Owner has significant control (other than when it breaches the Equity Release Deed) there is some uncertainty as to the period of time as to when any capital gain can be realised.

(d) Equity Release Administrator risk

Under an Equity Release Deed, the Property Owner may nominate the Staggered Settlement option, whereby the Equity Release Administrator arranges for the Custodian to hold on trust any part of the Pay Out Amount that has not yet been paid to the Property Owner. The Equity Release Administrator may invest these funds in cash accounts, bank bills, and term deposits with the interest earned being used to assist in the funding of the payment obligations to the Property Owner under an Equity Release Deed. There is some risk that these investments could fail which in

Product Disclosure Document

turn would put at risk the ability of the DomaCom Fund to meet its settlement obligations to Property Owners who have elected to use the Staggered Settlement option.

Similarly, the Equity Release Administrator may invest prepaid Service Fees and charges received under an Equity Release Deed in cash accounts, term deposits, bank bills and DomaCom Sub-Funds. The relevant Sub-Fund will receive from the base Service Fee amount of 4.4% p.a. an amount of 3.88% p.a. representing the notional rental amount of 3% p.a. and Management Fee of 0.88% p.a.

Product Disclosure Document

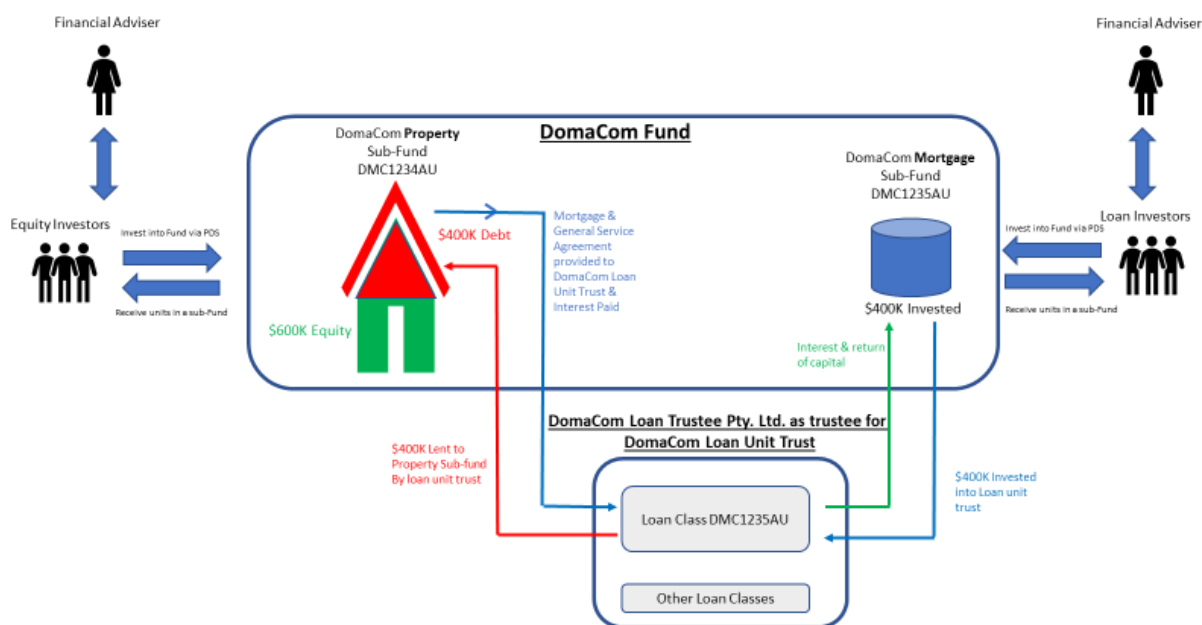
11. Investment Option – Loans

11.1. Additional features

A Sub-Fund that has a Loan as its Underlying Asset (a Loan Sub-Fund) has several particular features in addition to those features described in section 4 titled Investing in a Sub-Fund for Investors to consider.

All Underlying Loans are likely to be used to ultimately provide finance to a Property Sub-Fund to assist it in purchasing an Underlying Property which has completed a successful Campaign.

At Settlement, the Property Sub-Fund will receive the loan funds from the Loan Sub-Fund via the DomaCom Loan Trustee Pty. Ltd. The loan funds will be used to complete the purchase of the Underlying Property. The diagram below illustrates how a Loan Sub-Fund operates.



In addition to the details described in section 4 of this PDS, a SPDS for a Loan Sub-Fund will contain additional specific information about the Loan that is proposed to be held by the Sub-Fund (the Underlying Asset) such as:

- a description of the Property over which the proposed Underlying Loan will be secured. This description of the Property will include its location, physical description, and land size;
- the purchase price of the Property;
- the fixed term of the proposed Underlying Loan. The fixed term will, in most cases, be between 3 and 5 years and in line with the term of the Property Sub-Fund to which the Property relates;
- the interest rate paid by the Property Sub-Fund (the borrower) to the Loan Sub-Fund (the lender);

Product Disclosure Document

- whether the Underlying Loan is a fixed rate loan or a variable rate loan;
- the expected loan-to-value-ratio (LVR). DomaCom will not allow a Loan to exceed a 60% LVR;
- the interest cover ratio of the proposed Property Sub-Fund. DomaCom will not allow the Loan Sub-Fund to ultimately lend to a Property Sub-Fund unless the Property Sub-Fund's interest cover ratio is expected to be at least 1 times income or higher at the time the loan agreement is entered into. This ratio is calculated by dividing the expected annual net income of the Property Sub-Fund plus any Sub-Fund reserves by the annual interest charges on the Loan at the time of the Loan; and
- the pre-purchase valuation price and that it is within DomaCom's tolerance range.

11.2. Benefits of Investing in a Loan Sub-Fund

Interest rate potential

The Underlying Loan in a Loan Sub-Fund will usually offer higher yields than comparable-maturity government bonds, term deposits or cash deposits at a bank. This high-yield potential is, however, generally accompanied by higher risks.

Regular income

Provided that the tenant of an Underlying Property in respect of which a Loan is provided pays rent in accordance with the lease terms, a Loan Sub-Fund should generate steady income distributions for Unit Holders.

Distribution of Net Income

Net Income = Loan interest paid for the period

LESS

**All the Loan expenses including management fees for the period
which have been paid by the Sub-Fund**

Periodic Loan expenses will typically consist of Loan administration costs.

Loan to value ratio

DomaCom restricts the maximum loan-to-value ratio to 60%. This means that the value of the Underlying Property in the Property Sub-Fund over which the Underlying Loan has been secured could fall by 40% and the Loan principal could still be returned to Investors (less any costs) on the sale of the Property.

In addition, DomaCom will ensure that the minimum interest cover ratio is at least 1 times income at the time of Settlement. At this time, the interest will not be greater than the expected income from the Property Sub-Fund.

Product Disclosure Document

Security

Loans are secured through a first registered mortgage placed on the Property title. This ensures that the lender (the Loan Sub-Fund) receives priority in the event that the Property Sub-Fund is wound up and the Property is sold.

Diversity

Loans provide an opportunity for Investors to gain an exposure to an additional asset class which will assist in diversifying their investment portfolio.

11.3. Risks of Investing in a Loan Sub-Fund

Borrower could default

A Loan is a form of debt and the financial stability of the borrower seeking the Loan is a critical consideration for Investors purchasing Units in a Sub-Fund which has a Loan as its Underlying Asset.

A significant downturn in the Australian economy could trigger a default by the borrower. Under these circumstances, Investors in a Loan Sub-Fund could lose part or all of their investment in the Sub-Fund.

DomaCom's limited LVR of 60% or less could help mitigate this risk.

Distributions are not guaranteed

A borrower may default on paying the interest due on their Loan resulting in Investors incurring expenses associated with the Loan.

If the borrower fails to pay interest on the Underlying Loan for an extended period, the Property over which the Underlying Loan is secured may have to be sold and the Sub-Fund wound-up to settle debts.

Liability limited to specific Property

Any recourse the Loan Sub-Fund may have against the borrower will be limited to the specific Property securing the Loan. There is no recourse to other assets, so the Loan Sub-Fund will not be able to seek to recover the amount of the Loan or any shortfall from the Custodian or the trustee of any other Sub-Fund.

A Property specific event could impact its value

A Property over which an Underlying Loan is secured, could experience a specific event that impacts its value.

Events such as fire or flood damage to the Property could occur which could reduce the likelihood of Investors in the Loan Sub-Fund receiving a return on their investment.

Product Disclosure Document

Despite the fact that DomaCom insures all Underlying Properties in Property Sub-Funds, there may be circumstances which result in the insurer refusing to cover some or all of the loss. There are also risks that are not insurable.

Costs risk associated with each Underlying Loan

Each Underlying Loan will incur its own unique costs in relation to the issuing of that Underlying Loan such as legal and administration fees. A Loan Sub-Fund may be able to rely upon the due diligence reports for the Property Sub-Fund such as valuation and building inspection reports and will not need to incur its own costs in that regard.

There will also be costs associated with the management of the Sub-Fund, such as Manager's fees (detailed in section 15 titled **Fees and Other Costs**).

Product Disclosure Document

12. Investment Option – Special Opportunity Sub-Fund

12.1. Additional features

Special Opportunity Sub-Funds can provide exposure to a wide range of special projects, startup ventures, unique private ventures, and joint venture arrangements, such as units in an underlying unit trust which undertakes special property projects or interfunding into a wholesale fund. Examples of such ventures could be opportunities to invest in unlisted companies that are involved in the alternative investment space or across particular sectors of the market such as agricultural or renewable energy industries or in the growing technology sector.

These opportunities are generally only available to institutional investors or sophisticated investors. However, through DomaCom's Fractional Investing Platform, these unique and potentially exciting projects can be accessed by any Investor.

DomaCom will inform Investors when these opportunities arise and provide full details about the opportunity as part of the Campaign information. DomaCom will provide comprehensive details of each opportunity through a separately issued SPDS.

During the Campaign process, DomaCom will undertake appropriate due diligence activities which, depending on the opportunity, could include legal review, pre-purchase valuation of the asset, financial review, legal review and operational review.

Special Opportunity Sub-Funds will only be available at the discretion of DomaCom and subject to the approval of the Trustee.

12.2. Benefits of investing in Special Opportunity Sub-Funds

It is difficult to be precise as to the benefits as this will be very much dependent upon the specific opportunity and these benefits will be set out in the SPDS. However a number of potential general benefits are set out below.

Diversification risk – the ability to obtain a fractional interest in a much larger asset diversifies an Investor's risk.

Accessibility – the ability to obtain access to an asset which has traditionally been only available to the institutional market or high net worth individuals.

Sources of capital – Through the DomaCom product offering, capital is provided for new innovative opportunities that may otherwise not be developed in the Australian market.

12.3. Risk of investing in Special Opportunity Sub-Funds

It is difficult to be precise as to the risks, as this will be very much dependent upon the specific opportunity. The risks will be set out in the SPDS, however a number of general risks are set out below.

Product Disclosure Document

General economic downturn – A fractional investment in a Sub-Fund is subject to general economic conditions at the time and this can impact the value of the investment both positively and negatively.

Illiquidity of a Sub-Fund- A fractional investment in a Sub-Fund is an illiquid investment. A Sub-Fund has a fixed term.

DomaCom does operate a liquidity facility by making a market in Units under its AFSL (AFSL No. 444365) which allows a transfer to occur where there is a willing seller and a willing buyer for the same Units attached to a Sub-Fund.

However, DomaCom does not guarantee that it will purchase a Unit Holder's Units if they wish to sell their Units, or that DomaCom will be prepared to pay the price at which a Unit Holder wishes to sell their Units.

Product Disclosure Document

13. Investment Option – Equity Mortgage Sub-Funds

13.1. Additional features

An Equity Mortgage Sub-Fund has a Property as its Underlying Asset and has several particular features to consider in addition to those described in section 9 titled Investment Option – Property-Complete Interest Sub-Fund.

These features are detailed below.

Equity Mortgage Sub-Funds seek to provide Investors, who because of ethical or religious circumstances are not able to receive or pay interest such as Islamic Investors who are seeking Sharia compliant products, with access to property returns without the use of borrowings.

Income and growth sub-classes

Equity Mortgage Sub-Funds have two underlying sub-classes – an income sub-class and a growth sub-class which have the following features:

- The income sub-class and growth sub-class will have a beneficial interest in the relevant Property.
- The income sub-class will be granted a real property mortgage over the relevant Property.
- Investors in the income sub-class will receive up to 99% of the Net Income from the underlying property of the Equity Mortgage Sub-Fund. These investors will be wholesale or institutional investors.
- Investors in the growth sub-class will receive a minimum of 1% of the Net Income from the underlying property of the Equity Mortgage Sub-Fund.
- On the termination and winding up of a Sub-Fund with sub-classes, amounts from the realisation of the Underlying Property (after the payment of all of the expenses associated with winding up the Sub-Fund) will be paid as follows:
 - if the amount available from the realisation of the underlying property (after the payment of all of the expenses associated with winding up the Class) is equal to or exceeds the amount invested in the income sub-class then on the realisation of the relevant assets referable to the Class:
 - the income sub-class will receive the amount invested in the income sub-class, and the growth sub-class will receive the amount invested in the growth sub-class; and
 - the balance will be split a minimum of 0.001% to the income sub-class and maximum of 99.999% to the growth sub-class; or
 - if the amount available from the realisation of the underlying property (after the payment of all of the expenses associated with winding up the Class) does not exceed the amount invested in the income sub-class then on the realisation of the underlying property the income sub-class will receive all of the amount available for distribution.

The features described in this section with respect to an Equity Mortgage Sub-Fund and its sub-classes prevails over any other inconsistent description of Sub-Fund rights contained elsewhere in this PDS.

Product Disclosure Document

SPDS

A Supplementary PDS for an Equity Mortgage Property Sub-Fund will contain additional information such as:

- a description of the Property including its location, physical description, and land size;
- expenses associated with the due diligence process such as the cost of the legal review and the Property inspections and valuations;
- Acquisition Costs such as stamp duty fees (if applicable) and agent's fees;
- fees to be charged to the Equity Mortgage Sub-Fund by DomaCom;
- a high-level overview of the terms of the relevant income sub-class including the value of the income sub-class, the rental amount to be paid to the income sub-class; and
- a high-level overview of the tenant lease terms if an agreement is in place.

If all the Investors in a Campaign accept the Supplementary PDS and DomaCom successfully purchases the property on behalf of the Custodian, you will be issued your Units in the income sub-class of the Sub-Fund.

13.2. Benefits of investing in Equity Mortgage Sub-Funds

The key additional benefit of investing in Equity Mortgage Sub-Funds in addition to those described in section 9 titled **Investment Option – Property- Complete Interest Sub-Fund** is that the Sub-Fund does not use any form of borrowing to deliver exposure to the underlying Property.

This may interest Investors because of ethical or religious circumstances that are not able to receive or pay interest, such as Islamic investors who are seeking Sharia compliant products. This product provides exposure to property returns without the use of borrowings.

13.3. Risk of investing in Equity Mortgage Sub-Fund

The key additional risks of investing in Equity Mortgage Sub-Funds in addition to those described in section 9 titled **Investment Option – Property- Complete Interest Sub-Fund** are:

- it may not be possible to source institutional capital to invest in the income sub-class; or
- the cost of the institutional capital may be higher; however Investors are prepared to pay higher costs as it aligns with their ethical or religious circumstances.

Product Disclosure Document

14. Management of the DomaCom Fund

14.1. The Trustee

Melbourne Securities Corporation Limited ACN 160 326 545 is the trustee of the Fund, which specialises in corporate and professional trustee services and retail and wholesale managed investment schemes. The Trustee is responsible for maintaining the DomaCom Fund on behalf of the Investors. The responsibilities of the Trustee include holding the DomaCom Fund's property on trust for Investors, managing and investing the DomaCom Fund's property and ensuring that the DomaCom Fund's property is managed pursuant to the Constitution and the provisions of the Corporations Act. The legal relationship of an Investor and the Trustee is subject to the terms of this PDS (including any relevant SPDS), the Application Form and the Constitution, as well as applicable laws including but not limited to the common law, trust law and relevant legislation. The Trustee has the power to delegate certain duties pursuant to the Constitution and the Corporations Act. The Trustee has appointed DomaCom as the manager of the DomaCom Fund and Perpetual Corporate Trust Limited (ACN 000 341 533) as the custodian.

The Trustee, in its discretion, may change the custodian from time to time or appoint additional service providers, in accordance with the terms of the Constitution and the relevant service provider agreements.

The Trustee's rights and obligations as trustee are also contained in the Constitution and the Corporations Act. These duties include the duty to act honestly, exercise due care and diligence, avoid conflicts and treat Investors equally.

Copies of the Constitution are available free of charge upon request.

14.2. The Manager

The manager of the DomaCom Fund is DomaCom Australia Limited ACN 153 951 770. The Trustee appoints the Manager as agent of the Trustee to invest and manage the scheme assets.

DomaCom's responsibilities primarily include managing the DomaCom Fund's assets, and the administration, promotion, and marketing of the DomaCom Fund. DomaCom holds AFSL No. 444365.

DomaCom is also responsible for providing the technology for the management and administration of the DomaCom Fund.

DomaCom may also, in accordance with its AFSL, make a market in the Units.

DomaCom's management responsibilities include assisting the Trustee with the selection and supervision of all the key service providers to the DomaCom Fund.

DomaCom's head office is located at Level 8, 350 Collins Street Melbourne Victoria 3000. The Client Service Centre can be contacted by phoning 1300 365 930.

Product Disclosure Document

14.3. The Custodian

Perpetual Corporate Trust Limited ACN 000 341 533 AFSL 392673 is the custodian for the DomaCom Fund (Custodian) and is responsible for holding the assets of the DomaCom Fund as the agent of the Trustee. In particular:

- (a) the Cash Pool will be held in an ANZ trust account in the name of the Custodian; and
- (b) the Custodian will enter into the contracts to purchase or otherwise deal in the Underlying Assets,
- (c) on behalf of the Trustee in its capacity as trustee of the DomaCom Fund.

The Custodian's role is limited to holding the assets of the DomaCom Fund as agent of the Trustee. The Custodian has no supervisory role in relation to the operation of the DomaCom Fund and is not responsible for protecting the Investor's interests. The Custodian has no liability or responsibility to the Investor for any act done or omission made and is only liable to the Trustee under the Custody Agreement. The Custodian has not authorised or caused the issue of this PDS and does not make, or purport to make, any statements in this PDS. The Custodian, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this PDS other than a reference to its name.

The Custodian may, in relation to a Sub-Fund and at the direction of the Trustee, appoint a Property Manager as its agent to hold certain funds on trust for the Sub-Fund for the benefit of Unit Holders.

The Custodian will enter into a contract with the Property Manager. The contract will include terms required under the Trustee's AFSL. However, please note that the contract between the Custodian and the Property Manager may not contain terms relating to:

- how the Property Manager will certify that it complies and continues to comply with ASIC Regulatory Guide 133 Funds management and custodial services: Holding assets on holding scheme assets;
- how Investors will be compensated if they suffer loss due to a failure by the Property Manager to comply with its duties or to take reasonable care based on the standards applying in the relevant markets for the assets held and the extent to which the Property Manager must maintain a minimum level of professional indemnity insurance; and
- the Property Manager being prohibited from taking an encumbrance over, or in relation to, the funds they hold on trust for that Sub-Fund.

In certain circumstances it may not be practicable for the Property Manager to be engaged to hold the funds on reasonable commercial terms.

Product Disclosure Document

15. Fees and Other Costs

Consumer Advisory Warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

Fees and other costs

This section shows fees and costs that you may be charged. These fees and costs may be deducted directly from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment. Fees and costs for a particular Sub-Fund are set out in the SPDS for that Sub-Fund.

The DomaCom Fund's reporting year is the financial year commencing on the 1st of July each year. References to "per annum" relate to the financial year. All amounts are GST inclusive and net of any reduced input tax credits unless otherwise stated.

Product Disclosure Document

Fees and costs summary

DomaCom Fund		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
Management fees and costs The fees and costs for managing your investment	Up to 0.22% per annum of the value of the cash held on your behalf in the Cash Pool AND other management fees and costs in respect of a relevant Sub-Fund which are detailed in the SPDS for the Sub-Fund The actual fees to be charged in respect of a Sub-Fund appear in the SPDS for that Sub-Fund. Please refer to the SPDS of the Sub-Fund for further information.	The Cash Pool fee is payable to the Manager and calculated on a daily balance and payable in arrears from the assets of the Cash Pool on a monthly basis.
Performance fees Amounts deducted from your investment in relation to the performance of the product	The actual fee to be charged (if applicable) will appear in the SPDS for that prospective Sub-Fund.	Fees payable (if applicable) will appear in the SPDS.
Transaction costs The costs incurred by the scheme when buying or selling assets	The actual costs (if applicable) will appear in the SPDS for that prospective Sub-Fund.	Fees payable (if applicable) will appear in the SPDS.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee The fee to open your investment	\$0 - \$20.	Generally, not applicable, however in the case of investing between \$1,000 and \$2,500, a one off account fee of \$20 will be paid at the time of completing the Application Form. This fee is payable to the Manager.

Product Disclosure Document

Contribution fee The fee on each amount contributed to your investment	Nil	Not Applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil	Not Applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not Applicable
Exit fee The fee to close your investment	Nil	Not Applicable
Switching fee The fee for changing investment options	Switching feature not available	Switching feature not available

#Each Sub-Fund may have different Management Fees and within any Sub-Fund different Management Fees may be negotiated with Wholesale Clients.

Detailed below is an example of ongoing annual fees and costs for Investors in the Cash Pool. An investment in a Sub-Fund would have different fees.

Example of Annual Fees and Costs

This table gives an example of how the ongoing fees and costs in the Cash Pool can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

The example is for illustrative purposes only, and makes the following assumptions:

- Balance to the credit of an Investor's Cash Account is \$50,000 for the year
- The Investor has not invested in any Sub-Fund
- An additional contribution of \$5,000 is made to the Cash Pool during the year.

EXAMPLE – the Cash Pool		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.

Product Disclosure Document

PLUS , Management fees and costs	Up to 0.22%	And , for every \$50,000 you have in the Cash Pool you will be charged \$110 each year
PLUS , Performance fees	Nil	And , you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS , Transaction costs	Nil	And , you will be charged or have deducted from your investment \$0 in transaction costs.
EQUALS cost of the Cash Pool	Up to 0.22%	<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs up to:</p> <p>\$110*</p> <p>What it costs you will depend on the investment option you choose and the fees you negotiate</p>

*Additional fees may apply:

Establishment fee – nil provided you invest an initial amount greater than \$2,500. If it is below this amount a \$20 one off account keeping fee will be charged.

Additional Explanation of Fees and Costs

All fees and costs that apply in respect of a particular Sub-Fund will be detailed in the SPDS for that Sub-Fund.

Fee increases and alterations

Fees and charges are current at the date of this PDS. The Trustee may increase fees up to the maximum amounts permitted under the Constitution. There is no limit on the amount of expenses the Trustee can recover from the assets of the DomaCom Fund.

If it decides to recover expenses, this will be disclosed in the SPDS. The Trustee will provide Investors with at least 30 days' notice of any increases in fees before they take effect (subject to the maximum amounts permitted under the Constitution), to allow Investors to make other arrangements.

Under the Constitution, the Trustee may accept lower fees than it is entitled to receive or may defer payment for such period and on such terms as it determines from time to time.

The Trustee does not intend to alter the fees described in this PDS during the life of this PDS.

Expense recoveries

Product Disclosure Document

The management fees and costs also include expense recoveries. The expense recoveries are capped at 0.40% of the Gross Asset Value of your investment, which applies for each Sub-Fund but not at the Cash Pool level. The expense recoveries cap does not cover the Cash Pool fee, management fees or any campaign management fee, or other management fees charged for a particular Sub-Fund which are separately recovered from the Cash Pool or Sub-Fund (as applicable).

The Trustee is entitled under the Constitution to be reimbursed out of the assets of the DomaCom Fund for a broad range of costs and expenses properly incurred in relation to the DomaCom Fund.

These expenses typically include, but are not limited to, costs incurred in connection with the establishment of the DomaCom Fund or Sub-Fund, Investor communications, Unit pricing, auditors' fees, compliance costs and PDS preparation.

The Trustee is entitled to be indemnified out of the DomaCom Fund for any liability incurred by the Trustee in relation to the proper performance of its duties in respect of operating the DomaCom Fund. The Trustee has recourse to DomaCom if the assets in the DomaCom Fund are insufficient to indemnify the Trustee.

A list of expenses that may be reimbursed to the Trustee out of the DomaCom Fund is set out in the Constitution of the DomaCom Fund. A copy of this Constitution may be obtained from DomaCom or the Trustee on request.

If an Investor requests that the Trustee withdraws the Investor's entire balance in the Cash Pool, the Trustee may deduct the Investor's proportional share of any ascertainable expenses from the amount withdrawn from the Cash Pool by the Investor based:

- (a) on the proportion that the amount withdrawn bears to the value of the assets of the Cash Pool at the time of the withdrawal; and
- (b) on a proportional time weighted basis,

even though the expense may not yet have been incurred by the Trustee at the time of the withdrawal (as though the expense had been accrued), provided that such ascertainable expenses relate to, or are referable to, the period that the Investor held an investment in the Cash Pool.

Transaction costs

As with expenses, the Trustee is entitled to be indemnified out of the DomaCom Fund for any transaction costs properly incurred by the Trustee in operating the DomaCom Fund. The Trustee has recourse to DomaCom if the assets in the DomaCom Fund are insufficient to indemnify the Trustee.

Transaction costs incurred in respect of the DomaCom Fund include, but are not limited to:

- (a) Campaign Costs;
- (b) Acquisition Costs;
- (c) Settlement Costs;

Product Disclosure Document

- (d) Provisional Amounts;
- (e) ongoing running costs of the Underlying Asset; and
- (f) financing costs (if the purchase is partly financed by debt).

However, for the purposes of the fees and costs summary and the example of annual fees and costs, the disclosed 'transaction costs' only include Campaign Costs, Acquisition Costs and Settlement Costs. Please also note that the Campaign Costs are separate to any campaign management fee, which forms part of management fees and costs.

This is on the basis that borrowing costs (which include financing costs) and property operating costs (which include the Provisional Amounts and ongoing running costs of the Underlying Asset) are 'excluded transactional and operational costs' and therefore excluded from the definition of 'transaction costs' for the purposes of ASIC Regulatory Guide 97 Disclosing fees and costs in PDSs and periodic statements.

The fees and costs summary shows the estimated transaction costs (not including excluded transactional and operational costs) net of any amount that may be recovered by the buy-sell spread charged by the Trustee (if any). An estimate of total gross transaction costs in respect of each Sub-Fund is shown in the relevant SPDS. Transaction costs are additional costs to Investors where they have not already been recovered by the buy-sell spread (if any).

The amount of Campaign Costs, Acquisition Costs, Settlement Costs and Provisional Amounts are estimated to be 8% of the Campaign Price in relation to Complete Interest Property Sub-Funds, however this percentage can vary depending on the Underlying Asset. In particular, the amount of these costs are estimated to be between 10-15% in respect of a Sub-Fund which undertakes the development of a Property. This amount forms part of the Quarantined Funds.

Campaign Costs, Acquisition Costs, Settlement Costs and financing costs (if any) that are actually incurred will be charged to Investors who participate in the Campaign process by making a Bid. These costs will be charged back to Investors with an Active Bid on a proportionate basis if the Sub-Fund does not proceed and will be deducted from their Quarantined Funds within 7 days of the Campaign closing date. The allocation to such Investors will be calculated by reference to when they entered and/or exited the Campaign process and the costs that had been incurred at those times. If the Sub-Fund does proceed, these costs will be deducted from the assets of the Sub-Fund usually within 7 Business Days of the Sub-Fund being established.

Campaign Costs

Campaign Costs are pre-Settlement due diligence costs generally associated with reviewing the legal status and the general condition of the Underlying Asset. For example, in the case of a Complete Interest Property Sub-Fund, costs associated with reviewing the contract of sale, undertaking a title search, arranging a building inspection (if required), pest inspection (if required) and obtaining a Property valuation report.

Product Disclosure Document

Campaign Costs will vary considerably from one Sub-Fund to another based on the type and value of each Underlying Asset. These costs will be specified in the SPDS.

Acquisition Costs and Settlement Costs

Acquisition Costs of the Sub-Fund generally involve costs incurred during the purchase negotiation and contract exchange stage. These costs typically include, but are not limited to, legal costs and buyer's agent costs.

Settlement Costs of the Sub-Fund relate to the types of costs generally associated with Settlement of the Underlying Asset purchase. These costs typically include, but are not limited to, legal costs, stamp duty and, in the case of a Complete Interest Property Sub-Fund, council and utility adjustments.

Acquisition Costs and Settlement Costs will vary considerably from one Sub-Fund to another based on the type and value of each Underlying Asset. The specific or estimated Acquisition Costs and Settlement Costs in relation to the purchase of an Underlying Asset in respect of a Sub-Fund will be set out in detail and specified in the relevant SPDS.

Ongoing running costs

Again, using the example of a Complete Interest Property Sub-Fund, these costs relate to the ongoing running costs incurred in relation to the Underlying Property which may include costs required to organise a tenant (if an Underlying Property is untenanted or partly untenanted), the Property Manager Fee, insurance premiums, council rates, water charges and costs related to valuation, and repair and maintenance of the Underlying Property. These costs are estimated to range between 15% and 30% of the Sub-Fund's Gross Income but may be outside this range.

A Provisional Amount may be maintained for each Complete Interest Sub-Fund as a reserve amount to meet ongoing costs in relation to the Underlying Asset. Using the example of a Complete Interest Property Sub-Fund, the running costs may include:

- where an Underlying Property is untenanted or not fully tenanted;
- where repairs and maintenance costs are over and above the norm; and
- other unexpected costs.

The Provisional Amount is maintained as an asset of the Complete Interest Sub-Fund and paid to the relevant Property Manager to cover the ongoing property running costs as and when required. The Provisional Amount which each Sub-Fund may maintain may include:

- an advertising budget equivalent to 2 week's estimated rent;
- Property cleaning equivalent to 1 week's estimated rent;
- an allocation towards the council rates, water rates and land tax (if applicable) equivalent to 1/4 of estimated annual rent;
- strata fees (if applicable) equivalent to 1/4 of estimated annual rent; and
- any other expenses identified during the building and/or timber and pest inspection.

Product Disclosure Document

DomaCom may require Investors to fund Provisional Amounts at the time of Settlement and income earned by the Underlying Property (if any) may be set aside to maintain Provisional Amounts.

The **Provisional Amounts** will vary considerably from one Sub-Fund to another based on the type, value, and location of each Underlying Property. Where DomaCom requires Investors to fund Provisional Amounts at the time of Settlement, the Provisional Amount will be set out in detail and specified in the relevant SPDS.

Ongoing property running costs are paid from Gross Income of a Sub-Fund or Provisional Amounts in any month. If those amounts are insufficient, the Trustee will offer Unit Holders the opportunity to subscribe for additional Units in the Sub-Fund to cover these costs. If the additional Units are not fully subscribed, the Trustee may offer those additional Units to Investors. If, after this process, the Units for issue are still not fully subscribed for, the Trustee is entitled to wind up the Sub-Fund and sell the Underlying Property to settle the Sub-Fund's debts.

Financing costs

If a Sub-Fund borrows to purchase the Underlying Property, the Property Complete Interest Sub-Fund will also incur application fees for debt, legal fees, interest, and other financing charges.

Upfront financing costs will be paid from your subscription money on the issue of Units in the Sub-Fund. All other financing costs will be paid from the Gross Income of the Sub-Fund.

Interest and financing costs (if applicable) will be set out in the Supplementary PDS.

Using a Complete Interest Property Sub-Fund – as an Example of Campaign Costs, Acquisition Costs, Settlement Costs and Provisional Amounts

Detailed below is an example of the Campaign Costs, Acquisition Costs, Settlement Costs and Provisional Amounts that are to be incurred by or funded by Investors during a Campaign.

The example assumes a standard brick veneer house and a unit in a modern apartment block. Both properties are assumed to be valued at \$600,000 in NSW.

During the Campaign

There are no costs to an Investor to initiate or bid in a Campaign.

Examples of Campaign Costs incurred in relation to a Complete Interest Property Sub-Fund:

- Legal review costs are incurred, such as reviewing the sales contract and undertaking a title search
- Pre purchase independent valuation
- Building inspection and pest inspections (if applicable)

If the Investor decides to withdraw from a Campaign at any time and a Sub-Fund is not subsequently established, the Investor will still be liable for the share of the costs incurred when the Investor had an Active Bid; but only those costs that had been incurred up until the time the Investor withdraws the Bid.

Product Disclosure Document

The costs that are specific to an investment in a Sub-Fund during the Campaign could include, but are not limited to, the following (figures shown are estimates for the purposes of this example only. Actual costs in a Campaign may differ from those shown):

Campaign Costs

Item	House	Unit
Contract review	\$500 - \$700	\$500 - \$700
Title search	\$470	\$730
Building inspection	\$500 plus*	\$500 plus*
Timber pest inspection	\$500	not applicable
Building Pre-purchase valuation	\$500 - \$1000*	\$500 - \$750*

*Depends on the complexity of the property

Acquisition Costs

At the exchange of contracts, the costs that are specific to an investment in this Sub-Fund could include, but are not limited to, the following estimates:

Item	House	Unit
Legal costs	\$250	\$250

Settlement Costs

On Settlement, the costs that are specific to an investment in this Sub-Fund include, but are not limited to, the following:

Product Disclosure Document

Item	House	Unit
Legal costs	\$500- \$750	\$500 - \$750
Property searches	\$75	\$150
Stamp duty	\$22,090*	\$22,090*

*Based on New South Wales Government Office of State Revenue online calculator

Provisional Amounts

A Provisional Amount will also be raised from Investors, for example, in the event there is no tenant in the Underlying Property at the time of Settlement (or it is not fully tenanted), or to hold an amount in reserve for unexpected costs. Estimates of such figures will be set out in the relevant SPDS, including the allocation of Campaign Costs and Acquisition Costs.

The way in which these costs will be allocated between Investors depends on the success or failure of the Campaign and acquisition stages.

Successful purchase

In the event that the Sub-Fund is created, and Units are issued to Investors, the actual Campaign Costs, Acquisition Costs, Settlement Costs, ongoing running costs and financing costs will be charged to the Sub-Fund as and when incurred.

Sub-Fund not created

In the event that the Sub-Fund fails to proceed, either because insufficient commitments were received from Investors, DomaCom cancels the process due to issues identified as a result of due diligence investigations, or DomaCom fails to secure the purchase of the Underlying Asset, all costs incurred will generally be shared by those Investors with an Active Bid.

The allocation of these costs to each Campaign participant is calculated by reference to when they entered and/or exited the Campaign process and the costs that had been incurred at those times.

For example, if an Investor enters and then exits the Campaign before any costs are incurred), the Investor will not be required to meet any costs whatsoever.

The share of an Investor's costs is calculated based on the size of their Bid relative to the total number of Bids received up to the point at which they withdrew.

Product Disclosure Document

GST and taxation

All fees stated in this PDS are inclusive of GST, less any reduced input tax credits to which the DomaCom Fund is entitled. Please refer to section 16 entitled Taxation for further information in relation to tax.

Differential fees

Subject to the Corporations Act (including as amended by any relief granted by ASIC on which the Trustee chooses to rely) and the Constitution, the Trustee and DomaCom may individually negotiate lower or different fees in certain circumstances with Wholesale Clients.

Product Disclosure Document

16. Taxation

16.1. Taxation of Managed Investment Schemes (MIS) generally

The DomaCom Fund is a registered Managed Investment Scheme, and an investment in the DomaCom Fund and the relevant Sub-Fund(s) is likely to have tax consequences for an Investor each year, even if the Investor does not change their investment.

The following is a general overview of some of the relevant taxation implications for Investors who are Australian resident individuals for tax purposes and who hold their investment in the DomaCom Fund and a Sub-Fund on capital account. It does not consider the outcomes where a Vendor is also an Investor in a Sub-Fund that has entered into a contract for the sale of the relevant asset with the Vendor.

The tax information in this PDS is based on the relevant taxation laws at the date of this PDS, which are subject to continual change. The tax consequences of investing in Managed Investment Schemes are particular to each Investor's circumstances, and the trustee of the DomaCom Fund, the trustee of each Sub-Fund and DomaCom strongly recommend that Investors seek professional tax advice prior to investing in the DomaCom Fund and the relevant Sub-Fund(s).

16.2. Taxation of the DomaCom Fund

a) The net income of the DomaCom Fund

The below comments are in respect of the tax implications for the DomaCom Fund. Subject to the comments below about the public trading trust rules, the Trustee will generally not pay tax in its own capacity or on behalf of Investors. The DomaCom Fund is a flow-through vehicle and Investors are generally liable to pay tax on the income of the DomaCom Fund, including capital gains that are attributed to them in respect of the DomaCom Fund.

b) The Managed Investment Trust (MIT) regime

The Trustee has determined that the DomaCom Fund is an eligible Managed Investment Trust (MIT) and has made an irrevocable election to apply a deemed capital account treatment for gains and losses on disposal of a 'covered asset' (referred to as a 'capital election').

The capital election applies the CGT rules as the primary taxing provisions for gains and losses from a 'covered asset'. A 'covered asset' is limited to shares, units, land or interests in land, or rights to any of these assets (but specifically excludes 'financial arrangements' that are subject to the TOFA regime).

Should the DomaCom Fund realise a gain or loss from the disposal of a covered asset, the CGT rules may apply.

c) Attribution of income of the DomaCom Fund

The Trustee has made a choice for the DomaCom Fund to be an attribution MIT. As a result, the taxable income of the DomaCom Fund will be attributed to Investors on a fair and reasonable basis having regard to the Investors' rights under the constituent documents

Product Disclosure Document

(the 'attribution regime'). Under the attribution regime, you may be entitled to tax offsets, which reduce the tax payable, and concessional rates of tax may apply for items such as capital gains.

The attribution regime also legislates how the Trustee deals with under or over-distributions from the previous income year or years.

d) Public trading trust rules

A unit trust that is a public trust can be taxed as a company where it carries on (or controls another entity that carries on) trading activities other than eligible investment business activities. Eligible investment business activities include passive activities, such as investing in land primarily for the purpose of deriving rent and investing in certain financial instruments that arise under financial arrangements.

16.3. Taxation of Sub-Fund Trusts

a) The net income of the Sub-Fund Trusts

The below comments are in respect of the tax implications for each Sub-Fund (excluding the Cash Pools) which are each considered to be a separate trust from the DomaCom Fund for income tax purposes (individually referred to as a 'Sub-Fund Trust'). Subject to the comments below about the public trading trust rules, the Trustee of the relevant Sub-Fund Trust will generally not pay tax in its own capacity or on behalf of Investors. Each Sub-Fund Trust is a flow-through vehicle and Investors are generally liable to pay tax on their share of the net income of a Sub-Fund Trust, which may include capital gains on the realisation of the Underlying Property.

It is the Trustee's intention to make all Investors in each Sub-Fund Trust presently entitled to all of the income of the relevant Sub-Fund Trust in respect of each income year.

b) The Managed Investment Trust (MIT) Regime

Depending on the circumstances of a Sub-Fund Trust, a Sub-Fund Trust may meet the definition of a Managed Investment Trust. Having regard to the circumstances of a Sub-Fund Trust, the trustee may determine that the relevant Sub-Fund Trust may determine that the relevant Sub-Fund Trust is an eligible Managed Investment Trust. In such circumstances, the trustee of the relevant Sub-Fund Trust may make an irrevocable election to apply a deemed capital account treatment for gains and losses on disposal of a 'covered asset' (referred to as a 'capital election').

The capital election applies the CGT rules as the primary taxing provisions for gains and losses from a 'covered asset'. A 'covered asset' is limited to shares, units, land or interests in land, or rights to any of these assets (but specifically excludes 'financial arrangements' that are subject to the TOFA regime).

For the relevant Sub-Fund Trusts that are determined to be Managed Investment Trusts, where a capital election has been made, a gain or loss realised from the disposal of a covered asset may apply the CGT rules.

Product Disclosure Document

Where a trustee of a Sub-Fund Trust has determined that a Sub-Fund Trust is a Managed Investment Trust, the Trustee will notify the relevant Investors of the determination, including whether an irrevocable capital election has been made.

c) Public trading trust rules

A unit trust that is a public trust can be taxed as a company where it carries on (or controls another entity that carries on) trading activities other than eligible investment business activities. Eligible investment business activities include passive activities, such as investing in land primarily for the purpose of deriving rent and investing in certain financial instruments that arise under financial arrangements.

The trustee of each Sub-Fund Trust considers that each respective Sub-Fund Trust's activities should generally be limited to eligible investment business activities so that the public trading trust provisions do not apply to each Sub-Fund Trust. The trustee of each Sub-Fund Trust is currently of the view that generally the relevant Sub-Fund Trusts are unlikely to be public trading trusts and will continue to monitor the application of this test to each Sub-Fund Trust.

From time to time there may be activities that an individual Sub-Fund Trust carries on which may fall under the public trading trust rules. If this should occur, the trustee of the relevant Sub-Fund Trust will notify Investors of the relevant Sub-Fund Trust.

16.4. Taxation of Investors

a) Income of the DomaCom Fund

Investors will subscribe for a particular class of Units in the DomaCom Fund that confer a right to income and capital in respect of the DomaCom Fund. Investors will include in their assessable income their share of the income and capital of the DomaCom Fund that is attributed to them.

b) Income of the Sub-Fund Trusts

Investors will subscribe for Units of a particular Sub-Fund Trust that confer a right to income and capital in respect of a particular Sub-Fund Trust. Investors will include in their assessable income their share of the net income of the relevant Sub-Fund Trust which may include capital gains on the realisation of the Underlying Property.

c) Disposal of interest in the DomaCom Fund

The cost base of an Investor's Units is generally the amount the Investor pays to acquire the Units plus any incidental costs. The cost base of an Investor's units can be adjusted as a result of certain distributions from the DomaCom Fund. Details of any adjustments will be set out in the AMIT Member Annual Statement (discussed further below). It is the responsibility of each Investor to maintain records of their own cost base.

Product Disclosure Document

The disposal of Units in the DomaCom Fund will be a CGT event and the excess of the capital proceeds over the cost base will be a capital gain. Alternatively, the excess of the reduced cost base over the capital proceeds will be a capital loss.

An Australian resident Investor who is an individual, trustee of a trust, or trustee of a complying superannuation fund that has held their investment for at least 12 months prior to the disposal may be entitled to apply the CGT discount.

d) Disposal of interest in Sub-Fund Trust

The cost base of an Investor's Units is generally the amount the Investor pays to acquire the Units plus any incidental costs. The cost base of an Investor's units can also be adjusted as a result of certain distributions from the relevant Sub-Fund Trust. Details of any adjustments will be set out in the annual Tax Statement (discussed further below). It is the responsibility of each Investor to maintain records of their own cost base.

The disposal of Units in the relevant Sub-Fund Trust will be a CGT event and the excess of the capital proceeds over the cost base will be a capital gain. Alternatively, the excess of the reduced cost base over the capital proceeds will be a capital loss.

An Australian resident Investor who is an individual, trustee of a trust, or trustee or complying superannuation fund that has held their investment for at least 12 months prior to the disposal may be entitled to apply the CGT discount.

e) Tax statements

With respect to the DomaCom Fund, each year Investors will receive an AMIT Member Annual Statement (AMMA Statement), which will contain details of the taxable income attributed to the Investor for the year. The AMMA Statement will also detail any net cost base adjustment amount by which the cost base of your interest in the Fund should be increased or decreased.

With respect to the Sub-Fund Trusts, a tax statement will be issued in accordance with section 8.3.

f) Tax file number (TFN)/Australian business number (ABN)

Providing an Investor's TFN (or an ABN, if applicable) to the Trustee isn't compulsory, but without it or the appropriate exemption information, the Trustee must withhold tax from an Investor's distributions at the highest marginal tax rate (plus Medicare levy) until the TFN or exemption is provided.

16.5. Goods and Services Tax

GST will not be payable on investments or contributions made to the DomaCom Fund or Sub-Fund Trusts or on distributions received by Investors.

Fees and costs in respect of acquisitions by the DomaCom Fund and the Sub-Fund Trusts will generally be subject to GST. The DomaCom Fund and the Sub-Fund Trusts may not be entitled

Product Disclosure Document

to claim an input tax credit for the full amount of that GST; however, the DomaCom Fund and the Sub-Fund Trusts may be entitled to reduced input tax credits of 55% – 75% of any GST paid.

16.6. Stamp duty

The issue, transfer or redemption of Units in a Sub-Fund Trust may be subject to duty if, at the time of issue, transfer, or redemption:

- the Sub-Fund Trust holds an interest in Underlying Property in Queensland, or Queensland dutiable property (e.g. business assets, including receivables under loans), or
- the Sub-Fund Trust holds an interest in Underlying Property in another State or Territory, and
 - the Sub-Fund Trust is a 'landholder' (within the meaning of that State or Territory's stamp duties legislation); and
 - the market value of the Underlying Property held by the Sub-Fund Trust exceeds the relevant land value threshold in that State or Territory; and
 - the acquisition of Units on its own or when aggregated with other acquisitions by the acquirer, a person associated with the acquirer or any other person in an associated transaction, exceeds the acquisition threshold in that State or Territory.
-

Where such circumstances apply, duty will be charged at the relevant transfer rates on the proportion of the market value of the Underlying Property held by the Sub-Fund Trust equivalent to the interest acquired in the Sub-Fund Trust. In most jurisdictions, the acquirer of the Units is primarily liable to pay the duty.

However, this duty may not be payable where the Sub-Fund Trust or the DomaCom Fund qualifies as a 'widely held trust' in the State or Territory in which the Underlying Property is located.

As stamp duties laws change from time to time, Investors must seek their own independent advice before investing in the DomaCom Fund or a relevant Sub-Fund Trust.

The acquisition of the Underlying Property will be subject to duty in the State or Territory in which the Underlying Property is located. Duty will be charged at the relevant transfer or conveyance rates (and any foreign purchaser surcharge, if applicable) on the greater of the consideration paid for the Underlying Property and the Underlying Property's market value. Usually the purchaser of the Underlying Property will be liable for payment of the duty.

Product Disclosure Document

17. Additional Information

17.1. Material contracts

a) Constitution of the DomaCom Fund

The DomaCom Fund is governed by a constitution dated 13 December 2013 as amended from time to time. Melbourne Securities Corporation Limited ACN 160 326 545 AFSL 428289 is the trustee of the DomaCom Fund.

Interests in the DomaCom Fund

The Constitution establishes a Wholesale Cash Pool and Retail Cash Pool which are not unitised (i.e. no Units are issued in the Cash Pools, an Investor merely holds an interest in the Cash Pools). This means that the Trustee holds the money each Investor deposits into a Cash Pool on trust for that Investor, rather than an Investor's interest being determined by the number of Units they hold (which is the case for a Sub-Fund).

Unit Holders' rights and obligations

The Constitution also empowers the Trustee to issue classes of Units. The interest of Unit Holders in the DomaCom Fund (other than the Cash Pools) is divided into Units. Each Unit confers on the Unit Holder an interest in a Sub-Fund as an entirety and does not confer an interest in a particular part of the Sub-Fund or the Sub-Fund's assets.

The Trustee must only issue classes of Units (i.e. Units in a Sub-Fund) in the following circumstances:

- the assets for a Sub-Fund comprise an Underlying Asset(s) and all proceeds and income received by the Trustee in respect of, or relating to, the Underlying Asset(s);
- the liabilities of a Sub-Fund are attributed to a Sub-Fund such that they can only be met from the assets of a Sub-Fund;
- assets of a Sub-Fund are not encumbered in relation to liabilities of another Sub-Fund; and
- the Trustee is not entitled to be indemnified out of the assets of a Sub-Fund in relation to liabilities of another Sub-Fund.

Issue of Units

The Trustee may accept or refuse, in whole or in part, any application for Units without being bound to give any reason.

Product Disclosure Document

Issue price of Units

The Constitution contains provisions for calculating the issue price of Units. Generally, the initial issue of Units in a Sub-Fund will be at an issue price of \$1.00 per Unit. Each subsequent issue of Units in a class will generally be at the Net Asset Value per Unit less any transaction charge.

Income

The Trustee must, in each financial year, determine the Net Income of each Sub-Fund.

The Trustee may, each distribution period, distribute as an interim Distribution the Net Income of each Sub-Fund for that period plus any other amount (including capital) that the Trustee determines is to be distributed. In the last distribution period of the financial year, the Trustee must distribute the Net Income of each Sub-Fund for the financial year less any interim Distributions previously distributed during the financial year.

Unit Holders on the last day of each distribution period have a present entitlement to the distributable amount for that distribution period proportionate to their Unit holdings.

The Trustee must pay to each Unit Holder its Distribution entitlement on or before the distribution date for each distribution period (defined to mean 30 days after the last Business Day of the distribution period).

Redemption and transfer

The Constitution provides that the Trustee must redeem Units of a Sub-Fund when the Underlying Asset(s) of that Sub-Fund are sold or realised, within 10 Business Days of the Trustee receiving the proceeds from the sale of the Underlying Asset(s).

Units may be transferred by instrument in writing in accordance with the Constitution (and subject to the Corporations Act). A Cash Holder's interest in the Cash Pool is not transferrable.

Liability of Unit Holders

Each Unit Holder's liability under the Constitution is limited to the amount (if any) that remains unpaid in relation to the Unit Holder's Units.

Product Disclosure Document

Trustee's powers and duties

The Trustee holds the DomaCom Fund's assets on trust and may manage the assets as if it were the absolute owner of them.

The Trustee may appoint delegates, attorneys, or agents (including custodians) to perform any act, carry out any obligation or exercise any of its powers, as well as advisers to assist it with its duties and functions. The Trustee has appointed the Custodian to hold the assets of the Fund as agent for the Trustee.

Valuation of assets

The Trustee may cause the valuation of any asset of the DomaCom Fund and must do so if and when required by ASIC or the Corporations Act.

The Trustee may at any time cause the valuation of the Net Asset Value of a Sub-Fund and must do so if and when required by ASIC or the Corporations Act, on each date which Units are issued, and on each date that Units are redeemed by the Trustee.

The value of an asset will be its market value unless the Trustee decides otherwise.

Indemnities

The Trustee has a right to be fully indemnified out of the assets of the DomaCom Fund in respect of all expenses, liabilities, costs and other matters incurred by it in connection with the DomaCom Fund and against all actions, proceedings, costs, claims and demands brought against it in its capacity as trustee of the DomaCom Fund, except in the case of its own fraud, negligence or wilful default or in respect of overhead expenses of the Trustee.

Remuneration and recovery of expenses

The Trustee is entitled to a Management Fee of up to 0.4% per annum of the Gross Asset Value of the Cash Pool and up to 1.0% of the Gross Asset Value of the Units in each Sub-Fund. However, the Trustee may not charge the full amount of fees it is able to under the Constitution. See section **Error! Reference source not found.** for further details.

In addition to the above fees and any other right of indemnity under the Constitution or the law, the Trustee is entitled to be reimbursed out of the assets of the DomaCom Fund for all expenses incurred in relation to the proper performance of its duties in connection with the DomaCom Fund (subject to any statement to the contrary in this PDS or the Corporations Act).

Product Disclosure Document

Duration of the DomaCom Fund and termination

The Constitution provides that the DomaCom Fund will terminate on the expiration of 80 years less one day following the commencement of the DomaCom Fund, unless terminated earlier under the Constitution or by law.

On termination, the assets of the DomaCom Fund will be realised by the Trustee and the net proceeds from realisation will be distributed among the Unit Holders pro rata in proportion to the number of Units they hold. The Trustee will be entitled to retain from the proceeds of the realisation of assets expenses incurred or likely to be incurred in connection with the winding up of the DomaCom Fund.

For information in respect of the term and termination of Sub-Funds see sections 5.1 and 5.2 above as well as the relevant SPDS.

b) Management Agreement

DomaCom Australia Limited has been appointed to promote, administer, invest, and manage the assets of the DomaCom Fund and to perform various services pursuant to the Management Agreement (**MA**).

Manager's duties

In providing the services, the Manager must:

- act in accordance with the Management Agreement and the investment strategy of the DomaCom Fund;
- assist the Trustee to implement investment decisions including organizing, sourcing, managing, and monitoring investments;
- prepare various reports and statements;
- assist the Trustee with handling complaints;
- exercise all functions and duties with the degree of care, diligence and skill that would reasonably be expected of a professional manager in the Manager's position; and
- do any other thing which may reasonably be required of the Manager.

Matters requiring consent

The Manager must not do a number of things without the consent of the Trustee, including:

- delegating the Manager's duties, responsibilities, functions, or powers;

Product Disclosure Document

- borrowing against, pledging, charging, or encumbering of any asset of the Portfolio; and
- entering into any transaction on behalf of the Trustee unless the Trustee's liability in respect of the transaction is limited to the Trustee's right of indemnification out of the assets.

Indemnities

The Manager is indemnified against all liabilities, costs or expenses incurred by it acting properly in the course of the Manager's appointment, except to the extent that the liabilities, costs, or expenses are caused by:

- any negligence, fraud, default, or dishonesty of the Manager or any of its officers, employees or agents;
- the Manager's breach of the Management Agreement or failure to meet the standard of care required in the Management Agreement; or
- any act or omission of the Manager or any of its officers, employees or agents that causes the Trustee to be liable to Unit Holders for which the Trustee has no right of indemnity from the DomaCom Fund.

The Trustee is indemnified against all liabilities reasonably incurred by the Trustee and the DomaCom Fund arising out of:

- any negligence, fraud, default, or dishonesty of the Manager or any of its officers, employees or agents;
- the Manager's breach of the Management Agreement or failure to meet the standard of care required in the Management Agreement; or
- any act or omission of the Manager or any of its officers, employees or agents that causes the Trustee to be liable to Unit Holders for which the Trustee has no right of indemnity from the DomaCom Fund.

If expenses are incurred by the Trustee and remain payable and unpaid in relation to a Sub-Fund, after selling the Underlying Property or other asset in the Sub-Fund, then DomaCom will pay to the Trustee such amounts required to satisfy the payment of unpaid expenses.

Remuneration

The Manager is entitled to fees under the Management Agreement, being the fees set out in the key documents relating to the Fund (which include the Constitution and the PDS and SPDs).

Termination

Product Disclosure Document

The Trustee may terminate the Management Agreement at any time if:

- a receiver, receiver and manager, administrative receiver or similar person is appointed with respect to the assets and undertakings of the Manager;
- the Manager goes into liquidation, is placed under official management or administration, ceases to carry on a business in relation to its activities as a Manager or breaches or fails to perform any duty, obligation, representation, warranty or undertaking required by the Management Agreement;
- the Trustee is required to do so at any time or considers it reasonably necessary to do so to comply with its legal duties and obligations;
- the DomaCom Fund terminates; or
- the Trustee ceases to be Trustee of the DomaCom Fund.

c) Custody Agreement

The Custodian has been appointed as custodian of the DomaCom Fund under the Custody Agreement.

The Custodian's role is to hold the DomaCom Fund's assets on behalf of the Trustee. The Custodian only acts as instructed to do so by the Trustee.

Terms

The Custody Agreement is generally in the Custodian's standard form and includes terms incorporating specific ASIC policy relating to custodians.

Limitations on the Custodian's liability are included in the Custody Agreement. The Trustee indemnifies the Custodian for liabilities, expenses and other costs incurred in the proper performance of its duties and obligations under the Custody Agreement.

Sub-custodians and agents

The Custodian may appoint and use the services of a sub-custodian or agent to exercise any of its powers following consultation with, and the written consent of, the Trustee. Any fees or expenses of a sub-custodian or agent of the Custodian must be paid by the Custodian, except if such appointment is at the direction of the Trustee including if a Property Manager is appointed as the Custodian's agent at the Trustee's direction. The Custodian is not liable for such Property Manager's fees or expenses as the Property Manager is entitled to a Property Management Fee to be paid out of the Property Sub-Fund (and the Property Manager's expenses in respect of managing the Property Sub-Fund will be paid from the assets of the Property Sub-Fund).

d) Compliance Plan

The Trustee has adopted a Compliance Plan which meets the requirements of the Corporations Act for the DomaCom Fund.

Product Disclosure Document

17.2 Valuation Policy

The DomaCom Fund Valuation Policy describes the various processes and procedures involved to ensure that the DomaCom Fund assets are valued in an appropriate and timely manner. This policy is complied with in relation to the valuation of the DomaCom Fund's assets. The information below is a summary and more detailed information can be found on the DomaCom Website at www.domacom.com.au Alternatively, contact DomaCom to be sent a printed copy free of charge.

Property Sub-Funds

In relation to Property assets, the policy reflects the Australian Property Institute's definition of market value:

"Market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

In respect to the Property Sub-Funds, the Trustee has adopted the benchmark requirements in relation to valuation recommended by ASIC in its Regulatory Guide 46. DomaCom, as the manager, appoints suitably qualified valuers required to undertake independent valuations in accordance with the valuation timetable. The valuers must:

- be suitably qualified to carry out a valuation and possess at least 5 years' appropriate experience;
- be authorised under the law of the State or Territory where the valuation takes place to practice as a valuer (if applicable);
- be a member of the Australian Property Institute and categorised as a Certified Practising Valuer by that institute;
- possess professional indemnity insurance cover of at least \$5 million from a reputable and creditworthy insurer;
- be independent of the Trustee and DomaCom, and have no pecuniary interest or other conflict of interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the market value or that could conflict with a valuation of the Property or Property interest;
- not be a company acting for a vendor (i.e. as agent or adviser on the sale of the Property or Property interest to the DomaCom Fund); and

Product Disclosure Document

- value a Property or Property interest for the DomaCom Fund on three consecutive occasions (valuer's cycle) in order to ensure diversity and rotation.

For each Property in the Property Sub-Funds (both Complete Interest and Partial Interest), an independent valuation is to be obtained:

(i) before the Property or Property Interest is purchased:

(A) for a development Property, on an 'as is' and 'as if complete' basis; and

(B) for all other Property, on an 'as is' basis; and

(ii) within two months after DomaCom forms a view that there is a likelihood that there has been a material change in the value of the Property or Property interest.

DomaCom's real property policy and procedures can be found on our website or by clicking the following link <https://domacom.com.au/corporate/governance/>

17.3 Privacy

Privacy laws apply to the handling of your personal information. The Trustee (and DomaCom) will collect personal information from Investors for the purposes of processing applications and administering investments. DomaCom will not be able to process an application or administer an Investor's investment if an Investor does not provide us with relevant personal information.

Subject to the *Privacy Act 1988* (Cth) (**Privacy Act**), on request, we will give an Investor access to the personal information held about them. We must give others access to information about an Investor entered on the DomaCom Fund's register as required under the Privacy Act or other relevant laws.

We may also give Investors' personal information to service providers of the DomaCom Fund, including DomaCom, the Custodian, the DomaCom Fund accountant and their related bodies corporate or government agencies, which may require transferring Investors' personal information to entities located outside Australia where it may not receive the level of protection afforded under Australian law. We, and the service providers, may use Investors' personal information to notify Investors about other products. If you do not want your personal information to be used in this way, please contact us.

The Trustee's privacy policy is located on its website: www.msc.group/privacy-policy/. DomaCom's privacy policy is publicly available at www.domacom.com.au. Investors can obtain a copy of either policy free of charge by contacting the Trustee or DomaCom. The privacy policies contain information about how you can access your personal information held by the Trustee or DomaCom or complain about a breach of the Privacy Act and how we will deal with such a complaint.

17.4 Anti-Money Laundering / Counter Terrorism Financing

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (**AML Act**) regulates financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing.

Product Disclosure Document

Under the AML Act, we are required to:

- verify an Investor's identity before providing services to Investors; and
- where Investors supply documentation relating to an Investor's identity, keep a record of this documentation for seven years after the end of an Investor's relationship with us.

To ensure we comply with our obligations under the law, we have implemented a number of measures and controls to verify an Investor's identity and to monitor an Investor's transactions. As a result:

- transactions may be delayed or refused where we require further information regarding an Investor's identity, or we have reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country;
- where transactions are delayed or refused, we are not liable for any loss Investors suffer (including consequential loss) as a result of our compliance with the AML Act.

We have certain reporting obligations under the AML Act and are prevented from informing Investors that any such reporting has taken place. Where required by law, we may disclose an Investor's information to regulatory or law enforcement agencies, including, but not limited to, the Australian Transaction Reports and Analysis Centre (AUSTRAC), which is responsible for regulating the AML Act.

We are not liable for any loss Investors may suffer as a result of our compliance with this legislation.

Customer identification requirements are collected in the application form included with this PDS. We may also require additional information from Investors to assess their application after we have accepted it.

17.5 Conflicts of interest and related party transactions

Vendors

A Vendor is prohibited from bidding in respect of an Underlying Asset which is associated with the Vendor. DomaCom uses sophisticated technology to monitor Vendor activity, including address matching. DomaCom will require all Investors to make a declaration each time they attempt to first access a Campaign that they are not in any way associated with the Underlying Property.

Conflict between Sub-Funds

Each Sub-Fund is part of the DomaCom Fund and will have the same custodian and trustee. In certain circumstances, the interests of Sub-Funds may not all be aligned, for example if a Property Sub-Fund borrows money from a Loan Sub-Fund. To mitigate this risk, the Trustee has a conflicts policy which stipulates how it must deal with such conflicts to ensure that it acts in the best interest of each Sub-Fund.

DomaCom conflicts of interest policy

To comply with the conflicts management obligation, DomaCom has a responsibility to:

Product Disclosure Document

- control, disclose and (as needed) avoid conflicts of interest; and
- have measures, processes and procedures to:
 - identify conflicts of interest;
 - assess and evaluate those conflicts;
 - appropriately respond to those conflicts; and
 - ensure that, regardless of any conflicts, the quality of the financial services they provide is not significantly compromised.

<https://domacom.com.au/corporate/governance/>

The Trustee's related party transaction policy

The Trustee maintains a compliance plan for the DomaCom Fund that ensures that financial benefits will only be provided to related parties in the circumstances permitted by the Corporations Act. The related party register is maintained and updated by the Trustee's Compliance Officer and reported to the Compliance Committee as necessary. DomaCom is required to report any conflicts of interest relevant to the DomaCom Fund to the Trustee on a quarterly basis and ensure any related party transactions are disclosed. The Trustee also has a conflicts management policy and maintains an external role register and conflicts of interest register. The Trustee's Compliance Officer oversees the monitoring and enforcement of compliance with its conflicts management policy and reports to the board. The Trustee currently complies with its conflicts management policy and the compliance plan for the DomaCom Fund. Further information on the Trustee's policy and procedures for related party transactions can be obtained by contacting the Trustee.

17.6 Investments and social security

An Investor's investment in the DomaCom Fund may affect an Investor's social security or pension entitlements. As the calculations are complex, the Trustee and DomaCom strongly recommend that Investors seek advice from their financial or tax adviser or use the Centrelink financial information or the Veterans' Affairs financial information services.

17.7 Labour standards and environmental, social or ethical considerations

Labour standards, social, environmental and/or ethical considerations will not be taken into account by the DomaCom Fund when choosing or realising investments. Entities, including third party suppliers, have not been screened on this basis.

17.8 Cooling Off Periods

Should Investors decide that their initial investment in the Cash Pool is not suitable for them, Investors can submit a written request to DomaCom or us to cancel it within the fourteen (14) day Cooling Off

Product Disclosure Document

Period. This period commences from the earlier of the time the transaction is confirmed by DomaCom, or the fifth Business Day on which the Investor's interest in the DomaCom Fund was issued. Investors will not be charged any withdrawal or cancellation fees. Cooling off rights are not available to Investors that are either a Wholesale Client or Investors who have invested via a Platform, in which case Investors ought to check their rights with the operator of the Platform.

Cooling off rights will not apply to investments in a Sub-Fund.

17.9 Dispute resolution

The Trustee will refer all disputes to DomaCom for consideration and resolution. DomaCom has an internal dispute resolution process detailed below.

17.10 Enquiries and complaints

If Investors have an inquiry or complaint, Investors can either contact DomaCom by telephone on 1300 365 930 during business hours or write to:

Client Service Manager
DomaCom Australia Limited,
GPO Box 1866, Melbourne Victoria 3001

The Manager will acknowledge any complaint in writing within 24 hours and make every effort to resolve an Investor's issue within a maximum of twenty-one (21) days of being notified.

Investors may refer complaints to the Australian Financial Complaints Authority (**AFCA**) of which the Trustee and DomaCom are members. AFCA is an external dispute resolution scheme that provides free assistance to consumers to help resolve complaints relating to financial service providers.

Contact details for AFCA are as follows:

Address: Australian Financial Complaints Authority
GPO Box 3 Melbourne
VIC 3001
Phone: 1800 931 678

Website: www.afca.org.au
Email: info@afca.org.au

17.11 Consents

Perpetual Corporate Trust Limited has given and not withdrawn its consent to be named as custodian in the form and context in which it is named in this PDS. It has not authorised or caused the issue of

Product Disclosure Document

this PDS other than the reference to its name and information contained in sections 2, 14.1, 14.3, 17.11, 18 and 19 in relation to its role as custodian of the DomaCom Fund.

DomaCom Australia Limited has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. DomaCom Australia Limited authorised and was involved in the issue of this PDS in its role as manager and administrator of the Fund.

DomaCom Administration Pty Ltd has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. DomaCom Administration Pty Ltd has not authorised or caused the issue of this PDS other than where it is named in the PDS in relation to its role as a service provider to the DomaCom Fund.

ANZ has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. It has not authorised or caused the issue of this PDS other than the reference to its name and the information contained in sections 1, 3.1, 3.2, 3.4, 6.2, 14.3, 17.11 and section 18 in relation to its role as a service provider to the DomaCom Fund.

Grant Thornton Audit Pty Ltd has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. Grant Thornton Audit Pty Ltd authorised and was involved in the issue of this PDS.

Grant Thornton Australia Limited has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. Grant Thornton Australia Limited authorised and was involved in the issue of this PDS.

Moore Australia Audit (Vic) has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. Moore Australia Audit (Vic) authorised and was involved in the issue of this PDS.

Product Disclosure Document

18. Glossary

Term	Meaning
ABN	Australian business number.
Acquisition Costs	The purchase costs plus the Settlement Costs in respect of the acquisition of an Underlying Asset (if applicable) as described in the relevant SPDS.
Active Bid	The amount an Investor indicates they wish to invest as part of a Campaign process.
Administrator of the Fund	DomaCom Australia Limited ACN 153 951 770 AFSL 444365.
AFCA	Australian Financial Complaints Authority.
AFSL	Australian Financial Services Licence.
AML Act	<i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth)
AMMA Statement	AMIT Member Annual Statement.
ANZ	Australia and New Zealand Banking Group Limited ACN 005 357 522.
ANZ Official Cash Rate	An interest rate determined independently by ANZ but directly indexed to the Reserve Bank of Australia Cash Rate Target.
Application Form	The application form relating to this PDS.
ASIC	The Australian Securities and Investments Commission.
ATO	Australian Tax Office.
Available Funds	Money deposited by Investors in the Cash Pool that are not Quarantined Funds.
Bid	The amount nominated by an Investor from their Cash Account balance to invest in the proposed Sub-Fund that will seek to acquire an Underlying Asset.
Business Day	A day that banks are open for business in Melbourne other than Saturday or Sunday.
Campaign	The process of securing Investor interest and commitment to purchase or finance an asset through a Sub-Fund.

Product Disclosure Document

Campaign Costs	Pre-Settlement due diligence costs generally associated with reviewing the Underlying Asset.
Campaign Price	The purchase price of the Underlying Asset.
Cash Account	The account which tracks the cash held by a Cash Holder in the Cash Pool.
Cash Holder	The holder of an interest in the Cash Pool.
Cash Pool	The cash pool of the DomaCom Fund comprising the Wholesale Cash Pool and the Retail Cash Pool.
CGT	Capital gains tax.
Complete Interest	Where the Property Sub-Fund will from the outset own 100% of the Underlying Asset.
Constitution	The Constitution of the DomaCom Fund ARSN 167 020 626 dated 27 November 2013 as amended from time to time.
Contract of Sale	The contract of sale entered into by the Custodian on behalf of the Trustee to acquire an Underlying Property.
Cooling Off Period	A period of 14 days from the earlier of the time the transaction is confirmed by DomaCom, or the fifth Business Day on which the Investor's interest in the DomaCom Fund was issued.
Corporations Act	The Corporations Act 2001 (Cth).
Custodian	Perpetual Corporate Trust Limited ACN 000 341 533 AFSL 392673 .
Custody Agreement	The agreement entered into between the Trustee and the Custodian in respect of the Fund.
Deed of Payment	The agreement entered into between the Trustee and the Equity Release Administrator where the Equity Release Administrator is obligated to pay the Trustee a 3.88% p.a. return to the Sub-Fund (based on the value of the Property, reset every 5 years) from when the equity in the Property Owner's Property is exhausted until the Equity Release Deed is terminated.
Distributions	Distribution of Net Income paid by the DomaCom Fund.
DomaCom Fund	The DomaCom Fund ARSN 167 020 626.
DomaCom Investors	Investors in the DomaCom Fund.

Product Disclosure Document

DomaCom or Manager	DomaCom Australia Ltd ACN 153 951 770 AFSL No. 444365 is the manager of the scheme, involved in the administration and operation of assets held within the scheme and the operator of the DomaCom platform.
DomaCom Website	www.domacom.com.au
Equity Mortgage Sub-Funds	Equity Mortgage Sub-Funds have two underlying sub-classes – an income sub-class and a growth sub-class. The income sub-class will provide rental income and return of capital. The growth sub-class will capture the capital growth of the underlying residential property with little to no income.
Equity Release Administrator	DomaCom Administration Pty Ltd, administering the Service Fees and longevity reserve in respect of a Partial Interest Sub-Fund.
Equity Release Deed	The deed under which a Property Owner agrees to sell a portion of their interest in a property.
Fractional Investing	Fractional investing is a method of raising capital through the collective effort of a large number of individual investors.
Fractional Investing Platform	DomaCom's Fractional Investing Platform is a software application that records and administers Investor interests and distributions in both the Cash Pool and each of the DomaCom Fund's individual Sub-Funds.
Fund	Refers to the DomaCom Fund.
Gross Asset Value	Gross Asset Value in accordance with the Constitution means the sum of: <ul style="list-style-type: none"> • The value of all assets of the Fund; and • Any other amounts which, in the opinion of the Trustee, should be included for the purpose of making a fair and reasonable determination of the value of the Fund having regard to ordinary accounting principles.
Gross Income	All of the income in respect of a Sub-Fund.
GST	Goods and Services Tax.
IDPS	Investor directed portfolio service which provides services for acquiring and holding investments that involve arrangements for custody of assets and consolidated reporting.
Independent Adviser	An adviser who has the relevant qualifications to give advice and who is authorised to advise on the DomaCom Fund.

Product Disclosure Document

Indirect Investor	An Investor who invests in the DomaCom Fund through a Platform.
Investment Amount	The amount that an Investor would be prepared to invest in an Underlying Asset, which must be at least \$500.
Investor	Either a potential investor in the DomaCom Fund or an investor in the DomaCom Fund, as the context requires.
Listing Period	The period during which Units will be offered for Subscription by DomaCom, being up to 90 days, subject to extensions of up to 10 days at the discretion of DomaCom.
Loan	A loan held by a Loan Sub-Fund.
Loan Sub-Fund	A Loan Sub-Fund is a Sub-Fund which has a Loan as its Underlying Asset.
LVR	Loan-to-value ratio.
MA	Management Agreement.
Managed Investment Scheme	Has the same meaning as in section 9 of the Corporations Act.
Management Fees	The fees payable to the Manager for managing the DomaCom Fund as set out in the sections titled Fees and Other Costs in the PDS and relevant SPDS.
Manager	DomaCom Australia Limited ACN 153 951 770, AFSL 444365.
MIT	Managed Investment Trust.
Net Asset Value	The net asset value of the DomaCom Fund or a Sub-Fund as the context requires.
Net Income	<p>In respect of a Complete Interest Sub-Fund - Gross Income of the Sub-Fund less all expenses relating to the Underlying Asset or Sub-Fund.</p> <p>In respect of a Partial Interest Sub-Fund - The notional rent from the Service Fees paid by the Property Owner to the DomaCom Fund.</p> <p>In respect of a Loan Sub-Fund - Loan interest paid for the period less all expenses relating to the Underlying Loan.</p>
Net Sale Proceeds	The gross sale proceeds of the Underlying Asset less any related costs or expenses.
NTA	Net tangible assets.

Product Disclosure Document

Offer	The offer of interests in the DomaCom Fund pursuant to this PDS and any SPDS.
Partial Interest	Where the Property Sub-Fund acquires a partial interest in the Underlying Asset pursuant to an Equity Release Deed.
Pay Out Amount	The cash payment paid to the Property Owner for the purchase by a Partial Interest Sub-Fund of an interest in the Property Owner's Property.
Platform	A platform through which an investor indirectly invests in the Fund including an IDPS, IDPS-like scheme such as a master trust or wrap account or nominee and custody service.
Portfolio	The portfolio of assets that the Manager is in charge of managing on behalf of the Trustee.
Privacy Act	<i>Privacy Act 1988</i> (Cth)
Product Disclosure Statement or PDS	This product disclosure statement.
Property	A property held by a Property Sub-Fund.
Property Manager	A manager appointed by the Custodian at the direction of the Trustee to manage an Underlying Property or assets.
Property Manager Fee	The fee paid to a third-party manager to manage an Underlying Property.
Property Owner	The registered proprietor(s) of a Property held by a Partial Interest Sub-Fund.
Property Sub-Fund	A Property Sub-Fund is a Sub-Fund which has property as its Underlying Asset.
Provisional Amount	An amount that DomaCom may decide should be kept as a reserve in a Sub-Fund to meet the ongoing running costs of the Underlying Asset or Sub-Fund. For a Complete Interest Sub-Fund, the Provisional Amount will initially be funded from application money and may subsequently be funded from the Sub-Fund's income.
Purchase Costs	The costs incurred during the negotiation of the purchase of the Underlying Asset including at the contract exchange stage.
Quarantined Funds	Funds deposited in the Cash Pool that are not available for withdrawal due to an Investor making a commitment to subscribe for Units.

Product Disclosure Document

Representatives	The directors and employees of DomaCom Australia Limited.
Retail Client	For the purposes of the Cash Pool means any Investor that is a natural person or is a trustee for a self-managed superannuation fund that has less than \$2 million invested in the Cash Pool. For all other purposes, has the same meaning as in the Corporations Act.
Service Fees	The service fees payable by the Property Owner under the Equity Release Deed.
Settlement	Settlement of the acquisition of an Underlying Asset.
Settlement Costs	The costs associated with Settlement.
SIS Act or SISA	The <i>Superannuation Industry (Supervision) Act 1993</i> (Cth) which makes provisions for the management of Australia's superannuation system.
SMSF	Self-managed super fund.
Sole Purpose Test	The object of the sole purpose test is to ensure that SMSFs are maintained for the purpose of providing benefits to members upon their retirement or their dependents in the case of the member's death before retirement.
Special Opportunity Sub-Fund	Special opportunity Sub-Funds include a wide range of special projects, startup ventures and unique private ventures.
Staggered Settlement	Where the Property Owner elects to receive the Pay Out Amount on a monthly basis (or other nominated period) over a period of time.
Sub-Fund	A Sub-Fund established by the Trustee to hold an Underlying Asset, including an Equity Mortgage Sub-Fund, Loan Sub-Fund, Property Sub-Fund or Special Opportunity Sub-Fund. Where the context requires means the Trustee in its capacity as trustee of the Sub-Fund or the Custodian in its capacity as custodian for the Sub-Fund.
Sub-Fund Application Form	An application form in relation to a particular Sub-Fund that relates to a SPDS.
Subscription	The making of an application by an Investor to subscribe for Units in a Sub-Fund.

Product Disclosure Document

Supplementary PDS or SPDS	A document by which the Trustee may correct, update or add to the information in the PDS. The Trustee will issue a Supplementary PDS for each Sub-Fund.
TOFA	Taxation of financial arrangements.
TFN	Tax file number.
Trustee	Melbourne Securities Corporation Limited ACN 160 326 545 AFSL No. 428289. In this PDS, "we", "us" and "our" refer to the Trustee.
Underlying Asset	An asset held for a Sub-Fund.
Underlying Loan	The loan agreement held for a Loan Sub-Fund.
Underlying Property	The property held for a Property Sub-Fund.
Unit Holder	The holder of Units.
Unit Price	The price of a Unit in a Sub-Fund.
Units	Units in a Sub-Fund.
Valuation Policy	The policy for valuing assets in the DomaCom Fund.
Vendor	The owner of a property or of a special opportunity proposed to become an Underlying Asset of a Sub-Fund.
Vendor Statement	A Vendor's statement in relation the Underlying Asset.
Wholesale Cash Pool	A Cash Pool for Investors that are Wholesale Clients.
Wholesale Client	For the purposes of the Cash Pool means any Investor that is not a natural person or is a trustee for a self-managed superannuation fund that has more than \$2 million invested in the Cash Pool. For all other purposes, has the same meaning as in the Corporations Act.

Product Disclosure Document

19. Corporate Directory

Manager:	DomaCom Australia Limited: ACN 153 951 770 AFSL No. 444365 Level 14, 333 Collins Street Melbourne Victoria 3000 Phone: 1300 365 930
Trustee:	Melbourne Securities Corporation Limited ACN 160 326 545 AFSL No. 428289 Level 2, 395 Collins Street Melbourne Victoria 3000 Phone: +61 3 9050 2000
Custodian:	Perpetual Corporate Trust Limited ACN 000 341 533 AFSL No. 392673 Level 18, 123 Pitt Street Sydney New South Wales 2000 Phone: +61 2 9229 9000
Equity Release Administrator:	DomaCom Administration Pty Ltd ACN 629 563 499 Level 14, 333 Collins Street Melbourne Victoria 3000 Phone: 1300 365 930
Independent Auditor:	Grant Thornton Audit Pty Ltd ACN 130 913 594 Collins Square, Tower 1 727 Collins Street Melbourne Victoria 3008 Phone: +61 3 8320 2222
Compliance Plan Auditor:	Moore Australia Audit (Vic) ACN 847 721 257 Level 44, 600 Bourke Street Melbourne Victoria 3000 Phone: +61 3 9608 0100