

**Wholesale Investor
Small Cap Showcase March 2017**



DomaCom

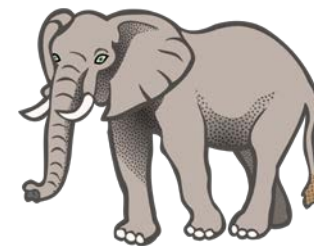
FRACTIONAL PROPERTY INVESTING

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DOMACOM IPO & CAPITAL

- IPO completed 7th November 2016 raised \$7.33 Million @ 75 cents per share
- \$2.85 Million traded since IPO (as at 7/3/17) @ VWAP of 28 cents
 - Small number of shareholders selling
 - DomaCom was always a medium term play as per Prospectus
 - Price will reflect business performance
- Cash at bank was \$5.7 million on 31st December 2016
 - Additional ATO rebates in the next 18 months – a further \$2-3 Million in rebates expected*
 - Staff & cost reductions implemented as per Supplementary Prospectus
 - Product development nearing completion → expect to significantly reduce legal expenses
 - We expect Income to also add to cash reserves



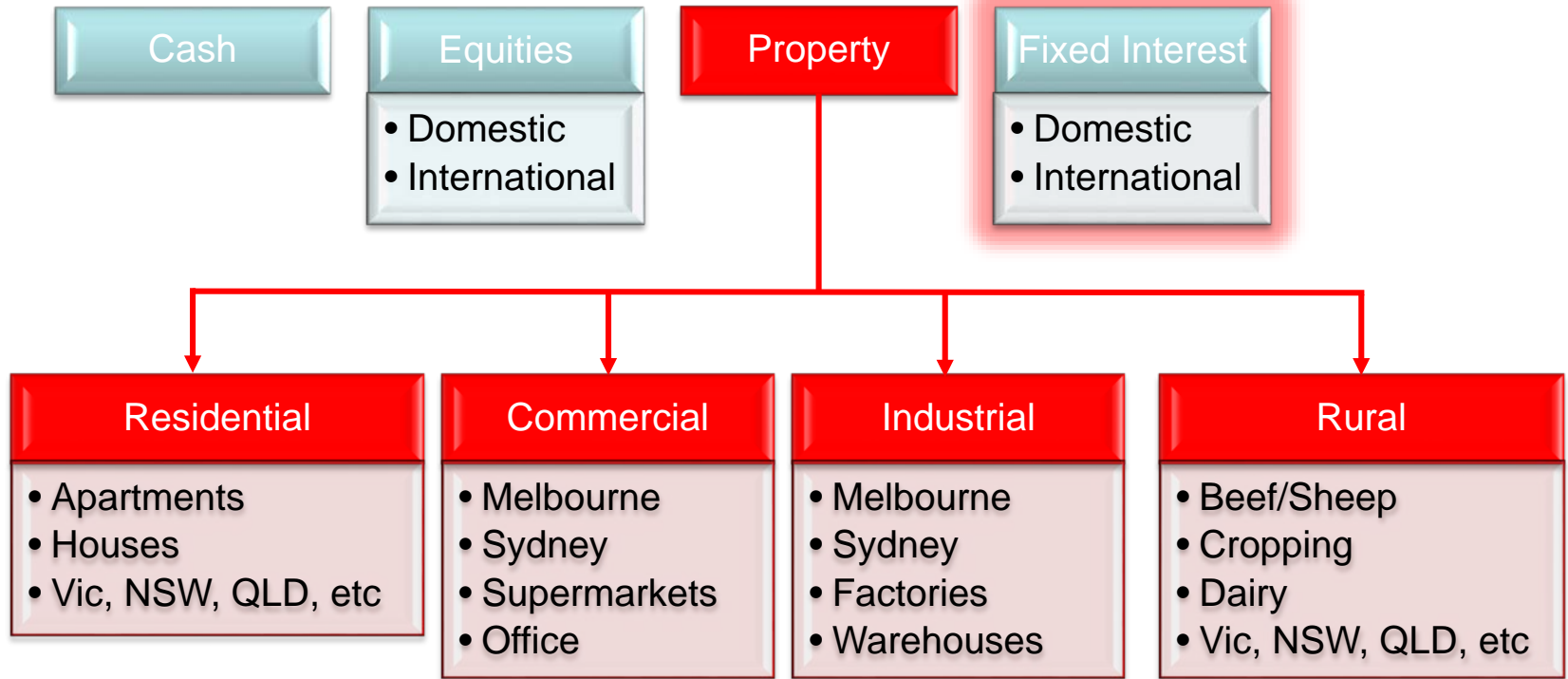
* ATO rebate expectation based on previous years the current expectation of R&D activities - the actual amount granted may be different

PRODUCT SUMMARY

- **Retail Managed Fund Fractional Asset Platform**
 - For the Independent Financial Adviser Market
 - Can be accessed directly by investors
 - Registered as a retail managed fund
- **Focus on Australian Pension Market - \$2.2 Trillion***
 - Self Managed Super Fund Market (SMSF) - approximately \$656 Billion*
 - Corporate Super and Industry Funds interested – another \$1.5 Trillion*
- **Internet Platform with Syndication (aka Crowdfunding)**
 - ASIC registered retail managed fund with syndication solution for property in Australia
- **Attractive Fee**
 - 0.88% of value of Assets
 - 0.44% of value of Debt
 - Very sticky fee with built in index to property values

* Source: APRA Statistics - December quarter 2016

ASSET ALLOCATION



GLOBAL CROWDFUNDING PLATFORMS

Country	# of CFI Platforms	Country	# of CFI Platforms
United States	344	Brazil	17
France	53	Canada	34
Italy	15	Australia	12
United Kingdom	87	South Africa	4
Spain	27	India	10
Netherlands	34	Russian Federation	4
Germany	26	Belguim	1
		Hong Kong SAR, China	1
		China	1
		United Arab Emirates	1
		Estonia	1

Chart taken from Crowdfunding's Potential for the Developing World. 2013. infoDev, Finance and Private Sector Development Department. Washington, DC: World Bank.

BUSINESS GROWTH

- FUM is \$24.4 million as at 8th February 2017
- 39 properties have been purchased
 - 7 new book builds since 11th November 2016
- Largest book build just completed - \$3 million
- First Managed Account transaction – Benwest via ManagedAccounts.com.au
- First SMA Manager – DFS Portfolio Solutions with an initial allocation of around \$25 Million
- 10 dealer groups active
 - Up from 5 at the end of June 2016



LONSEC RATING

- Lonsec rated DomaCom fund “Approved” on 7th November 2016
- Lonsec is one of the major fund research houses
 - Used by the majority of the financial planning industry
- DomaCom has access to 5% of IFA market
 - Lonsec opens up the remaining independents
- Starting to show results already
 - Meetings being organised with larger groups



SUPERCONCEPTS AGREEMENT



- SuperConcepts adds DomaCom Fund to iSaver
- SuperConcepts is AMPs SMSF business
 - Has over 40,000 SMSFs
- DomaCom & SuperConcepts sales teams engaged
 - Cross selling opportunities
- Expected to drive growth in both offerings



“ADVISE & DEAL IN SECURITIES” AFSL VARIATION

- AFSL change approved 6th February 2017
- Allows DomaCom to fractionalise any security* (share, bonds, etc.)
- Allows Corporate Bond book builds
- Other Asset Classes to follow
- PDS being amended and expected to be completed in 3-6 weeks
- Loan book builds leverage off Corporate Bond technological capabilities and thus will also be available



* As defined in Corporations Act

PRODIGY NETWORK



- Prodigy Network is leading US Property Crowdfunding site
- US\$410 million of equity raised for US\$750 million of property
- DomaCom has initial 12 month exclusive distribution agreement for Australian retail investors
- Australians will be able to invest into commercial property assets in Manhattan
- Leverages off our AFSL variation
- Start off with Wholesale Investor campaign for direct investments into Prodigy Networks
 - DomaCom to receive “arranging fee”



LOAN BOOK BUILDS

- Will allow book build of debt component for property book build
- Cost to borrower is 5.5% (4% + RBA cash rate)
- DomaCom receives 0.44% MER & investors receive balance 5.06%
- Should be attractive investment:
 - Low LVR less than 50%
 - Positively geared
 - First registered mortgage
- Leverages off existing “Fractional Property Investing” & Corporate Bonds platform
- Suits investors wanting enhanced income return with low risk
- Adviser clients can fund both the equity and the loan book builds



SMSF RULING

- DomaCom to seek Federal Court/AAT Rulings for SMSF Impact
- Seeking court confirmation that DomaCom Fund is one widely held trust & does not breach sole purpose test
- Targeting Superannuation Industry (Supervision) Act 1993 (SIS Act) exemption for widely held trusts
- May enable SMSFs to invest in property sub-funds regardless who the tenant is
 - Use your own super to get on the property ladder
- May help address “affordable housing” issue without requiring tax payer support
 - Very topical issue for nation



SENIOR EQUITY RELEASE

- Senior Equity Release relief application lodged with ASIC
- Targeting “Baby Boomers” with Senior Equity Release product
- Leverages off existing “Fractional Property Investing” platform
- Allows IFAs to include property in multi-generational wealth planning
- Lodged final application and documents with ASIC
- Targeting Q3 2017 (subject to ASIC approvals)
- Help solve funding issue for retirees
 - Large demographic problem for all developed nations including Australia



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