

**IMPORTANT NOTICE PURSUANT TO SECTION 601GCA OF THE CORPORATIONS ACT**

IMPLEMENTATION OF NEW TAX SYSTEM FOR MANAGED INVESTMENT TRUSTS FOR UNITHOLDERS IN  
THE DOMACOM FUND ARSN 167 020 626

A new tax regime applying to Managed Investment Schemes was enacted on 5 May 2016 under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2015*.

Perpetual Trust Services Limited (ABN 48 000 142 049) as the responsible entity (**Responsible Entity**) for the DomaCom Fund (**Fund**) proposes to amend the Fund's constitution to allow the Fund to opt-in and apply the new taxation regime.

The new tax regime introduces the concept of an 'Attribution Managed Investment Trust' (**AMIT**) which is proposed to be adopted by the Fund (by the Responsible Entity making an election to this effect) for the financial year ending 30 June 2016.

The Responsible Entity believes the new regime will produce more equitable and fair tax outcomes for the Fund's unitholders for the following reasons:

- Under the current trust taxation rules, the net income of the Fund is allocated to unitholders based on the unitholder's proportionate share of the income of the trust estate to which they are 'presently entitled' (what is referred to as a whole-of fund approach). This whole-of-fund approach results in the profits and losses of all the classes of units being netted off to determine the Fund's overall taxable income, which is, in turn, allocated (based on the unitholder's present entitlement) and distributed to unitholders.

Under the AMIT regime, the Responsible Entity will have the ability to attribute the Fund's taxable income to unitholders on a 'fair and reasonable' basis having regard to the unitholder's rights under the constitution including, specifically, their rights to the income of one particular class of units to the exclusion of others. So, under this approach, the Fund can attribute the net taxable income that is relevant and applicable to each different class of units to the unit holder who holds an interest in that class of units. This means that the taxable income relevant to a class (also known as a sub-fund) is attributed to the unitholders in that sub-fund, without being impacted by any other sub-fund. In DomaCom's case, such an election would mean that:

- income from a particular sub-fund in which a unitholder has an interest, that relates to a specific underlying property, can be attributed to the unitholder who has an interest in the particular Sub Fund; and

- losses from a particular sub-fund in which a unitholder has an interest, which relates to a specific underlying property, can be quarantined in that sub-fund and applied against future income derived in the particular sub-fund (as opposed to being applied against the Fund's income on a whole of fund basis, which may lead to the tax effect of those losses benefiting unitholders with interests in other sub-funds).
- The Responsible Entity and DomaCom believe that this should result in a fairer tax outcome for all the unitholders, and gives a better reflection of the economic performance of each underlying property investment and the relative risk taken on by each individual unitholder.
- The AMIT regime provides confirmation in legislation of the approach which the Responsible Entity can adopt to deal with under-or-over distributions of income from an earlier income year. Presently, this is based on an administrative practice of the Australian Taxation Office which is not reflected in the tax legislation. This change will provide additional certainty to the Responsible Entity and to unitholders.

The Responsible Entity intends to make amendments to the Fund's constitution to facilitate the Fund's entry into the AMIT regime unless it receives requests to call and arrange to hold a meeting of the Fund's members to consider and vote on a special resolution to modify the constitution from members with at least 5% of the votes that may be cast on the resolution by 29 June 2016.

The request to call a meeting must be made in writing and may be sent to the following email address [clientservices@domacom.com.au](mailto:clientservices@domacom.com.au)

If 5% or more of the total number of unitholders request a meeting within 7 days, a unitholders' meeting will be held to pass a resolution to approve the amendments. If no more than 5% of members request a unitholders' meeting by 29 June 2016, the Responsible Entity is permitted to make amendments to the constitution without the need for member approval.