

Target Market Determination

This target market determination (**TMD**) is in relation to the sale of units by the Seller under the Product Disclosure Statement prepared and issued by the Seller in respect of the sale of its units in the Scheme dated 13 October 2023 (**PDS**).

Product details

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| Financial product | Units in the Scheme (Product) |
| Scheme | The Racing League 2020 – Team Rogues (Scheme) |
| ARSN | 643 761 620 |
| Issuer of Product | Sire Custodians Ltd (ABN 45 005 088 371, AFSL no. 223671) (Issuer) |
| Seller of Product | The Racing League Pty Ltd (ABN 29 641 198 790, AFS Representative Number 001283358 (Seller)) |
| Investment manager of the Scheme | The Racing League Pty Ltd (ABN 29 641 198 790, AFS Representative Number 001283358 (Manager)) |
| Racehorse(s) | Any racehorse, or interest in a racehorse, acquired for the Scheme (each a Racehorse) |
| Trainer(s) | Any trainer of a Racehorse appointed by the Manager (each a Trainer) |
| Date of TMD | 13 October 2023 |

Target market

Likely objectives, financial situation and needs of consumers (investors) in the target market

s 994B(5)(b)

Product description including key attributes

RG 274.68(b)

Objective

Investors seeking to achieve one or more of the following objectives:

- To participate in owning, and the racing of, a group of specific thoroughbred racehorses which are trained by qualified and reputable trainer.
- To spread the costs and risks of owning and racing the racehorses with other investors in the syndicate,

The Scheme is a horse racing syndicate designed to enable investors to have a micro-share (via the Scheme) in each Racehorse.

Legally, the Product is an interest in a managed investment scheme registered with the Australian Securities and Investments Commission structured as a unit trust. The legal owner of the interest in each Racehorse held on behalf of the Scheme is the Issuer in its capacity as responsible entity of the Scheme, and the unit holders hold a beneficial interest in each Racehorse. The Issuer has appointed the Manager to manage the

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| <p>rather than seeking to retain full ownership and control of the racehorses.</p> <ul style="list-style-type: none"> ■ To make a passive investment in the group of racehorses by leaving the management and day-to-day control of the horses to another person. ■ Potentially, to share in the prize money from the racing the racehorses. ■ Potentially, to access capital growth from selling one or more the racehorses. | <p>Scheme's interest in each Racehorse on a day-to-day basis, and to exercise its rights (as an agent of the responsible entity) in respect of each Racehorse in accordance with the relevant co-owners agreement and the rules of racing. Each Racehorse is trained by a Trainer.</p> <p>The Product has the following key attributes:</p> <ul style="list-style-type: none"> ■ The Product is an interest in the Scheme. ■ The Scheme holds a number of Racehorses, which are trained by different Trainers. Each Trainer is reputable in the horse training industry. ■ The costs associated with the maintenance and racing of the Racehorses are generally funded by monthly dues paid by Scheme investors. ■ Any net prize money and other winnings earned by the Racehorses are distributed to Scheme investors in accordance with their respective proportional ownership of units in the Scheme. ■ A Racehorse may be sold at the conclusion of its racing career, or earlier if the Manager considers it to be in the interests of Scheme investors, and the net proceeds distributed to Scheme investors. ■ The Scheme does not have a fixed term (except in certain circumstances set out in the Scheme's constitution), and as such will acquire replacement racehorses from time to time to replace those Racehorses which have ended their racing career. To meet the costs of acquiring new horses, each Scheme investor is required to pay an annual capital contribution. |
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Financial situation

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| <p>Investors in one or more of the following financial situations:</p> <ul style="list-style-type: none"> ■ Investors with investable assets that meet the minimum product investment requirements. ■ Investors who are capable of bearing the loss of their invested principal and who understand that investing in racehorses is speculative in nature. ■ Investors who are not reliant on a steady or reliable income stream. ■ Investors who are not reliant on access to, or return on, invested capital. ■ Investors with sufficient financial | <p>To acquire the Product from the Seller under the PDS, the investor must pay a transfer price of \$260 per unit.</p> <p>The investment risks of the Product include the risk that a Racehorse may not be able to be sold (due to, for example, death or injury) and that a Racehorse may not earn any prize money or other winnings. This may lead to a loss of capital and income.</p> <p>Once an investor purchases a unit in the Scheme from the Seller, the investor becomes a member of the Scheme, and as a member of the Scheme the investor must pay certain levies charged by the Issuer. These levies are as follows:</p> <ul style="list-style-type: none"> ■ an ongoing monthly due of \$27.50 per unit; ■ an ongoing annual capital contribution of \$60 for each unit held; and |
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resources to pay regular levies, and special levies of an unknown amount to cover any extraordinary costs and expenses of the Scheme.

- special levies of \$2.50 per unit held upon retirement of each Racehorse.

In addition, the Issuer may charge a special levy of an amount it determines to pay for an extraordinary or unexpected Scheme costs and expenses, which cannot be otherwise paid out any undistributed net prizemoney or net sale proceeds.

If a Scheme investor does not pay all monthly dues, annual capital contributions and other amounts that are validly levied by the Issuer under the terms of the Scheme constitution, they may be charged late fees and interest, and their units may be forfeited. It is possible that the forfeiture process does not result in a return of capital to holders of forfeited units.

The monthly dues, annual capital contribution and special levies are payable by Scheme investors by direct debit to a nominated credit card.

Needs

Investors that have one or more of the following needs:

- Seeking to rely on the Manager's relevant expertise in horse racing and network of racehorse-related service providers.
- Seeking an interest in a group of thoroughbred racehorses trained by reputable trainers.
- Seeking regular reports about the status of the thoroughbred racehorses.
- Seeking to receive information about and manage their investment in the racehorses digitally.
- Seeking to enjoy the benefits of participating in the horse racing industry through becoming an indirect owner of interests in thoroughbred racehorses.

The Manager has relevant expertise in horse racing, including in relation to procuring the service of various service providers in the racehorse training and racing industry. The Responsible Entity makes decisions to acquire or dispose of thoroughbred racehorses for the Scheme on the advice and recommendations of the Manager.

Each Racehorse is trained by a Trainer, which is an experienced and reputable trainer of racehorses.

The investment period is open-ended, although the term of the investment will depend upon the continuing ability of the Manager to be able to source suitable horses for the Scheme. Investors do not have a right to require the Issuer to redeem their units or to buy them back at any time during the term of the Scheme. However, investors may transfer their units to another person, with the approval of the Issuer at its discretion.

The Manager and/or the relevant Trainer will prepare regular reports about the Racehorse to be delivered to relevant Scheme investors via the Scheme's online platform which is operated by the Manager. Other updated information about the Scheme and transfer forms can be found online by visiting www.trl.net.

The Manager seeks to give Scheme investors an enjoyable team-based sporting experience. It does so in a number of ways, including:

- providing Scheme investors with regular updates from the relevant Trainer. Trainers are expected to provide video, voice, photographic or text updates on a

regular basis.;

- the Manager retaining up to two tickets from the Scheme's proportion of the tickets for its own use and balloting the remaining tickets amongst the other Scheme investors who attend the race day; and
- providing access to a Trainer on a select or exclusive basis, or and other premium content experience, on terms described on the Manager's website www.trl.net.

Appropriateness of the target market and product attributes

s 994B(8) and RG 274.68(c)

The Seller considers that the Product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of investors in the target market on the basis of:

- the relationship between the key attributes of the Product and the target market as set out in this TMD;
- the terms of issue of the Product;
- the particular nature of the assets of the Scheme, being thoroughbred racehorses, and that such racehorses are trained by experienced and reputable trainers;
- the narrow purpose of the Product being to enable investors to obtain a small indirect interest in the Racehorse and to share any net prize money from any winnings from a Racehorse;
- the need for additional on-going levies to maintain and upkeep the Racehorses;
- the Manager's experience and knowledge of the racing industry in Australia, including the drivers affecting and motivating the typical behaviours of owners of racehorses;
- the Manager's experience and knowledge of the racing industry in Australia; and
- the Manager's experience and knowledge of the Racehorses, and its connections with the Trainers including the respective roles and responsibilities of the Manager and the Trainers set out in each Training Agreement and Fees Notice between the Manager and the relevant Trainer.

Distribution conditions and restrictions

s 994B(5)(c)

The Seller is selling its own units in the Scheme. The terms of the sale are set out in the PDS. The Issuer has considered the PDS and has made representations and statements in the PDS to which it has consented for inclusion in the PDS. No person other than the Seller is authorised to sell its units under the PDS.

Given these circumstances, the Seller has established the following distribution conditions and restrictions:

- the investor must obtain and read the PDS, which is available only from the Seller;
- the Seller will upload this TMD on its website in a manner such that it is publicly available to all users of the Seller's website and the website refers the investor to this TMD;

- the Product may only be acquired from the Seller by the investor visiting www.trl.net or alternatively contacting The Racing League Support Centre at help@trl.net;
- the investor will need to complete the transfer form online and provide all information requested in the process, including completing all required questionnaires and disclosures as required to comply with the rules of racing;
- the Seller will lodge the transfer form with the Issuer once it has received cleared funds from the investor for the units the investor wishes to buy and all required information and disclosures have been received or made;
- the Seller will only advertise or promote the Product, including on its website, in a manner and form approved by the Issuer;
- the Seller only give general advice in relation to the Product, and to direct complex questions about the Product to the Issuer; and
- the Seller will not make any representations about the Product other than as expressly stated in the PDS and subject to any limits set out in the authorised representative appointment agreement.

Appropriateness

| Requirement s 994B(8) | Explanation |
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| <i>Target market and distribution conditions and restrictions</i> RG 274.100 | <p>The Seller considers that the distribution conditions will make it more likely that the investors who acquire the Product are in the target market on the basis of:</p> <ul style="list-style-type: none"> ■ the Seller being the only distributor of the Product; ■ the restrictions imposed by, and level of supervision required under, the terms of the management agreement and authorised representative appointment arrangements entered into by the Issuer and the Manager; ■ the Seller's experience and knowledge of the racing industry in Australia and racehorse syndicate management; and ■ the Issuer's supervision of the Manager, including in relation to all regulatory matters affecting the Scheme and the Product. |

Review triggers and review periods

| <i>Ongoing TMD reviews</i> | |
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| <i>Review triggers</i> s 994B(5)(d) | <p>The following events and circumstances are considered likely to indicate that this TMD may no longer be appropriate:</p> <ul style="list-style-type: none"> ■ a serious injury to, or death of, a significant number of the Racehorses; ■ a significant increase in the upkeep required in relation to the Racehorses, requiring an increase in the monthly dues or the imposition of a special levy to cover such actual or anticipated increases in costs and expenses; |

Ongoing TMD reviews

- where a Trainer is unable to perform its role, or is significantly impaired in being able to perform its role, in relation to any of the Racehorses, in circumstances where a replacement trainer with comparable experience and competence cannot be found;
- any significant change to expected race meets in which the Manager expected any of the Racehorses to participate;
- where the Manager is unable to perform its role, or is significantly impaired in being able to perform its role, in relation to the Product;
- a significant number, or an unexpectedly high number, of complaints about the Product, the transfer process set out in the PDS or its distribution;
- a significant change to the rules of racing;
- a significant dealing in this Product in relation to retail clients that is inconsistent with this TMD; and
- any inquiry, surveillance, direction, notice, investigation, or enforceable instrument by or from ASIC about or relating to the Product's features, the PDS, the target market or the Product's distribution strategy.

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| <i>First review period</i> s 944B(5)(e) | October 2025. |
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| <i>Subsequent review periods</i> s 994B(5)(f) | At least once every 2 years since the date of the last review of the TMD (for whatever reason). |
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Distributor reporting requirements

ss 994B(5)(g) and 994B(5)(h)

No reporting requirements are specified as there are no distributors of the Product, other than the Seller who is selling the Products it owns under the terms of the PDS.

Important information about this document

This target market determination (**TMD**) is made by The Racing League Pty Ltd (ABN 29 641 198 790, AFS Representative Number 001283358) (**Seller**) pursuant to section 994B of the *Corporations Act 2001* (Cth). The Seller is the holder of the Product issued by the Issuer as the trustee of the Scheme.

This document is not a summary of the Scheme or the Product, or the Product Disclosure Statement for the Product (**PDS**). It does not (and is not intended to) set out a summary of the terms or features of the Product.

This document is intended to provide a record of the Seller's assessment of the Product, which forms the basis of this TMD. It also details the Product's distribution channel(s) and distribution strategy which must align to this TMD. This document is also used as a basis for the periodic review of the Product's suitability for distribution to the identified target market.

This document does not (and is not intended to) provide or constitute financial product advice. The target market described in this TMD is general in nature only and does not make any statement or representation that a particular person is or is not in the target market described in this TMD. This TMD does not take into account the objectives, financial situation and needs of any particular person and the Seller makes no representation as to whether or not the Scheme or the Product is suitable for any particular person.

Prior to making any decision in relation to the Scheme or the Product, investors should obtain and consider the PDS, and obtain financial product advice if necessary. The PDS is available on the website of the Manager at <https://myracehorse.com/au/>. This TMD should not be taken by a person to be a substitute for obtaining and considering the PDS or obtaining financial product advice that takes into account the person's objectives, financial situation and needs.

An investment in the Product is subject to investment risk, including delays on the payment of withdrawal proceeds and the loss of income or the principal invested. While any forecasts, estimates and opinions in this material are made on a reasonable basis, actual future results and performance of the Product may differ materially from the forecasts, estimates and opinions set out in this TMD. No guarantee as to the repayment of capital, the performance of the Product or any rate of return described in this TMD is made by the Seller, Issuer or any other person.

This material is not intended for distribution to, or use by, any person in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

The Seller, and its officers, employees, agents and advisers, believe that the information in this TMD and the sources on which the information is based (which may be sourced from third parties) are correct as at the date of this TMD. While every care has been taken in the preparation of this TMD, no warranty of accuracy or reliability is given and no responsibility for the information is accepted by Seller, or its officers, employees, agents or advisers. To the fullest extent permitted under law, the Seller excludes all liability for information provided in this TMD.

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