
The Racing League 2020 - Team Husslers Product Disclosure Statement

Scheme

The Racing League 2020 - Team Husslers
ARSN 643 759 531

Responsible Entity

Sire Custodians Ltd
ABN 45 005 088 371
AFSL 223671

Manager

The Racing League Pty Ltd
ABN 29 641 198 790
AFS Representative Number 001283358

This Product Disclosure Statement is prepared by the Manager in relation to the sale of units in the Scheme held by the Manager.

You should read this PDS carefully before making a decision to purchase Units from the Manager.

The Racing League 2020 - Team Husslers

Product Disclosure Statement

IMPORTANT NOTICES

This information is important and requires your attention

It is important that you read this document carefully and in its entirety prior to making your investment decision with respect to purchasing units in The Racing League 2020 - Team Husslers (ARSN 643 759 531) (**Scheme**). In particular you should pay careful consideration to the risk factors outlined in Section 6 (*What are the risks of investing in the Scheme?*) and the tax implications in Section 8 (*Taxation*) as they relate to your personal investment objectives, financial circumstances and needs. The potential tax effects of an investment in the Scheme will vary between Unit Holders. Other risk factors may exist in addition to those identified in this document which should also be considered in light of your personal circumstances. If you have any queries or uncertainties relating to aspects of this document or an investment in the Scheme, please consult your adviser before deciding whether to invest.

The issuer and the offer

This document is a Product Disclosure Statement (**PDS**) for the purposes of Part 7.9 of the Corporations Act and has been issued by The Racing League Pty Ltd (ABN 29 641 198 790) (**Manager**). Under this PDS, the Manager is offering to sell its units in the Scheme which it acquired by way of issue from the Responsible Entity in circumstances where the Manager was issued those Units for purpose of selling or transferring those Units to 'retail clients' (within the meaning of that term under the Corporations Act), although 'wholesale clients' (within the meaning of that term under the Corporations Act) may also purchase those Units.

The Manager is both the seller of Units available under this PDS and the investment manager of the Scheme.

The responsible entity of the Scheme

Sire Custodians Ltd (ABN 45 005 088 371, AFSL 223671) (**Responsible Entity**) is the responsible entity of the Scheme. This PDS has not been prepared by the Responsible Entity and the Responsible Entity is not the issuer of this PDS. To the fullest extent permissible by law, the Responsible Entity takes no responsibility for this PDS.

Date

This PDS is dated 13 October 2023. This PDS has not, and does not need to be, lodged with ASIC, and ASIC does not take any responsibility for the contents of this PDS or the merits of the investment to which this PDS relates.

Not investment advice

The information contained in this PDS should not be taken as financial product advice or tax advice. The information contained in this PDS is general information and does not take into account your investment objectives, financial situation, or particular needs. It is therefore important that you read this PDS in full before deciding whether to purchase units and take into consideration your investment objectives, financial situation, and particular needs.

Investments in the Scheme are speculative in nature. You should consider the suitability of the Scheme in view of your financial position and investment objectives and needs and you may want to seek advice before making an investment decision. To help you determine whether an investment in the Scheme is right for you, you should consider consulting your financial adviser or other professional advisers.

In particular, you should pay careful consideration to the risk factors outlined in Section 6 (*What are the risks of investing in the Scheme?*) in light of your personal circumstances, recognising that other risk factors may exist in addition to those identified and should also be considered before deciding whether to invest.

If you have any queries or uncertainties relating to aspects of this PDS or the offer for the sale of units in the Scheme, please consult your stockbroker, accountant, or other independent financial adviser before deciding whether to invest.

Similarly, the tax implications of your investment will vary depending on your personal financial circumstances and investment objectives. You should consider the tax implications outlined in Section 8 (*Taxation*) and obtain your own professional taxation advice prior to deciding whether to purchase Units under the terms described in this PDS.

Disclaimer

An investment in Units is not an investment in, or a deposit with, or other liability of, the Responsible Entity and is subject to investment and other risks including possible delay in repayment and loss of income and capital invested (among others described further in Section 6 (*What are the risks of investing in the Scheme?*)). The Responsible Entity is not authorised under the *Banking Act 1959* (Cth) and is not supervised by APRA, and investments in the Scheme are not covered by the depositor protection provisions available to depositors that make a deposit with an Australian authorised deposit-taking institution under that Act.

None of the Responsible Entity or any of its directors, officers or associates gives any guarantee or assurance as to the performance of the Scheme or the underlying assets of the Scheme, or the repayment of capital from the Scheme or any particular rate of capital or income return or (where information about tax is provided) any particular tax treatment. You should only rely on the information in this PDS when deciding whether to purchase Units from the Manager under the terms described in this PDS. There can be no assurance that the Scheme will achieve results that are comparable to the track record of the Responsible Entity, or that the Scheme's investment objectives will be achieved.

This PDS supersedes all preliminary information and any other previous communications in connection with the offer for the sale of Units by the Manager. All such preliminary information and previous communications should be disregarded for the purposes of an investment in relation to the offer under this PDS.

Rights and liabilities attached to Units

None of the Responsible Entity, Manager or any of their officers, employees, agents, or affiliates guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Scheme. Past performance is no indication of future performance. Units offered for sale by the Manager under the terms described in this PDS.

Details of the rights and liabilities attached to each unit are described in this PDS and set out in the Constitution. A copy of the Constitution may be obtained from the Responsible Entity.

PDS availability

An electronic copy of this PDS may be viewed online by Investors in Australia at www.trl.net. If you access this PDS electronically, please ensure that you download and read this PDS in its entirety. The offer to which this PDS relates is available to persons receiving this PDS (electronically or otherwise) in Australia only.

Eligibility

The offer for the sale of Units made in this PDS is available only to those persons receiving this PDS (electronically or otherwise) within Australia. No action has been taken to register Units or otherwise permit a public offering of Units in any jurisdiction outside Australia. This PDS does not constitute an offer to sell or the solicitation of an offer to buy any securities or other financial products other than Units owned by the Manager.

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this PDS in jurisdictions outside of Australia (whether electronically or otherwise) may be restricted by law. Persons who come into possession of this PDS who are not in Australia should seek advice on, and observe any such restrictions in relation to, the distribution or possession of this PDS. Any failure to comply with any such restrictions may constitute a violation of applicable securities laws.

Any person purchasing Units shall by virtue of such purchase be deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in this PDS and are not acting for the account or benefit of a person within such jurisdiction.

Neither the Responsible Entity nor the Manager, including their respective directors, officers, employees, agents, partners, advisers or consultants, accepts any liability or responsibility to determine whether a person is able to participate in the offer for the sale of Units under this PDS.

Other than as permitted by law, investments in the Scheme will only be accepted following receipt of a properly completed Transfer Form. It is the responsibility of any person located in a jurisdiction other than Australia to ensure compliance with all laws of any country relevant to the offer under this PDS. The submission of a duly completed Transfer Form will be taken to constitute a representation and warranty that there has been no breach of any relevant laws and that all approvals and consents have been obtained.

Updated information

Information regarding the Scheme may change from time to time. Any updated information about the Scheme that is considered not materially adverse to Unit Holders will be made available at www.trl.net. The Manager will provide a copy of the updated information free of charge to any Unit Holder who requests a copy by contacting the Manager.

The Manager may replace this PDS in respect of the offer to sell its Units described in this PDS. You should read any replacement PDS prior to making any investment decision.

Financial information

Unless otherwise specified, all financial and operational information contained in this PDS is believed to be current as at the date of this PDS. All currency amounts are in Australian dollars unless otherwise specified. No financial forecasts are made in this document.

Responsible Entity limitation of liability

Except in certain circumstances prescribed by law, the Responsible Entity enters into transactions in respect of the Scheme in its capacity as trustee of the Scheme only, not in its personal capacity, and its liability in relation to those transactions is limited to the assets of the Scheme.

Photographs, diagrams, and artist's renderings

Photographs, diagrams, and artist's renderings contained in this PDS that do not have accompanying descriptions are intended for illustrative purposes only. They should not be interpreted to mean an endorsement of this PDS or its contents by any person shown in these images. Furthermore, assets not accompanied by a description should not be interpreted as being owned by the Responsible Entity or the Scheme.

Diagrams used in this PDS are also intended for illustrative purposes only and may not be drawn to scale.

Definitions, abbreviations, and other information

Explanations of defined terms and abbreviations used throughout this PDS can be found in Section 11 (*Glossary*).

Unless otherwise stated or implied, references to times in this PDS are to the time in Sydney, New South Wales. Similarly, references to dates or years in this PDS are financial years unless otherwise stated or implied. Rounding of the figures provided in this PDS may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

Disclaimer

No person is authorised to give any information, or to make any representation, in connection with the offer for the sale of Units owned by the Manager that is not contained in this PDS.

Any information or representation that is not in this PDS may not be relied on as having been authorised by the Manager in connection with the offer for the sale of Units owned by the Manager. Except as required by law, and only to the extent so required, neither the Responsible Entity, nor any other person, warrants or guarantees the future performance of the Scheme, the repayment of capital, or any return on any investment made pursuant to this information.

Further questions?

If you have any queries relating to aspects of this PDS please email help@trl.net.

The Racing League 2020 - Team Husslers

Product Disclosure Statement

Contents

1	Overview of the structure and operations of the Scheme	1
1.1	Purpose of the Scheme	1
1.2	Structure of the Scheme	1
1.3	The purpose of this PDS	2
1.4	Units for purchase	3
1.5	What you receive when you acquire a Unit	3
1.6	Unit pricing	3
1.7	The Responsible Entity	4
1.8	The Manager	4
1.9	Scheme registration and this PDS	5
1.10	How to keep track of your investment	5
1.11	What happens at the end of the life of the Scheme?	6
1.12	Code of conduct	6
2	Key features of the Scheme	7
3	Investment objective of the Scheme	15
3.1	Investment objective	15
3.2	The Racing League	15
3.3	Current Horses	15
3.4	Horse acquisition details	15
3.5	Insurances	16
3.6	Trainer(s)	16
3.7	What happens if the Trainer is unavailable?	16
4	Commonly asked questions	18
5	Benefits of investing in the Scheme	21
6	What are the risks of investing in the Scheme?	23
7	Fees and other costs	33
7.1	Consumer Advisory Warning	33
7.2	Fees and other costs	33
7.3	Example of annual fees and costs for the Scheme	35
7.4	Additional explanation of fees and costs	36
7.5	GST	43
8	Taxation	44
8.1	Income tax	44
8.2	Withholding tax	44
8.3	Capital gains tax	44
9	Additional information	45
9.1	Constitution of the Scheme	45
9.2	Compliance Committee	45
9.3	Compliance Plan	46
9.4	Material contracts	46
9.5	Keeping you informed	46
9.6	Continuous disclosure	47
9.7	Cooling off	47
9.8	Complaints	47

9.9	Consents	48
9.10	Directors' authorisation	48
9.11	Labour standards or environmental, social, or ethical considerations	49
9.12	Anti-money laundering laws	49
9.13	Rules of Racing	50
9.14	Acquisition and management of horses	51
9.15	Potential conflicts of interest	51
9.16	Documents available from the Responsible Entity	52
10	How to acquire Units	53
10.1	Transfer price	53
10.2	Transfer process	53
10.3	Transfer requests may be rejected	53
11	Glossary	55
12	Corporate directory	57

The Racing League 2020 - Team Husslers

Product Disclosure Statement

1 Overview of the structure and operations of the Scheme

1.1 Purpose of the Scheme

The primary purpose of the Scheme is to buy and sell suitable horses for racing in an effort to win Prizemoney, in the context of Investors being able to enjoy the experience of being indirect owners of a team of racehorses owned by the Scheme.

The Scheme is designed to afford Investors an opportunity to participate, through the Scheme, in the indirect ownership, racing of quality thoroughbred horses. By holding an interest in the Scheme, Investors may spread both the costs and inherent risks associated with the owning, racing, and selling of a thoroughbred horse. The Horses are chosen by the Manager. However, neither the Manager nor the Responsible Entity makes any representation or gives any warranty that:

- (a) the Horses will win any races or Prizemoney;
- (b) the Horses have any significant residual value; or
- (c) the purpose of the Scheme will be achieved.

1.2 Structure of the Scheme

The Scheme is an unlisted trust that is registered with ASIC. The Scheme was registered with ASIC on 7 September 2020. The Scheme is constituted, and operated, in accordance with the Constitution, which is a unit trust.

The trustee of the unit trust, and the responsible entity of the Scheme, is Sire Custodians Ltd (ABN 45 005 088 371). Sire Custodians Ltd holds an AFSL numbered 223671, which authorises it to operate the Scheme and provide financial services in connection with the Scheme.

The beneficial interest in the Scheme's net assets is divided into Units. Each interest in the Scheme (**Unit**) confers on the holder of that Unit (**Unit Holder**) an undivided interest in the net assets of the Scheme. A Unit does not confer on the Unit Holder any entitlement to any particular asset of the Scheme or to any part of the assets.

The Responsible Entity operates the Scheme and is responsible for the overall operation and management of the Scheme in accordance with the Constitution and applicable laws. The Responsible Entity has appointed the Manager to provide investment management services in connection with the Scheme. The Manager is not a 'related body corporate', or otherwise an 'associate', of the Responsible entity as those terms are defined in the Corporations Act.

The Scheme is open-ended. This means the Scheme does not have an automatic termination date (other than specific termination events described in the Constitution) and the Responsible Entity does not intend to operate the Scheme only for a specific duration.

There are Units on issue to both the Manager and to other persons. All Units on issue are of the same class.

In the original issue of Units, the Responsible Entity accepted money from different Investors which was pooled and collectively used to acquire horses, and to race the

horses. This pooling arrangement forms the basis for the continued operation of the Scheme.

In accordance with the Constitution, periodic class dues are levied on and collected from Unit Holders for the purpose of meeting the costs of operating the Scheme, upholding and managing the horses that are held by the Scheme, as well as costs associated with selling and buying horses. An annual capital contribution is levied on and collected from Unit Holders to meet the costs of acquiring replacement horses or interests in horses. If a Unit Holder does not pay all dues, annual capital contributions and other amounts that are validly levied by the Responsible Entity under the terms of the Constitution, their Units may be forfeited.

The Scheme is established under its Constitution. The Constitution allows the Responsible Entity to issue different classes of Units which may have different rights and obligations (including fees) attached to them. Units within a class have the same rights and obligations. Where there are different classes of Units on issue, individual Scheme assets, and Scheme costs and expenses, are referable to different classes of Units.

The rights attached to each Unit in a class are proportional to the total number of Units on issue in that class. Currently, there is only one class of Units on issue.

The Unit Holders:

- (a) benefit from racing Horses, including being entitled to receive a proportionate share of any Net Prizemoney earned from racing the Horses, and any Net Sale Proceeds which may be realised if a Horse is sold; and
- (b) are responsible for all fees, and costs and expenses, on a proportionate basis:
 - (i) associated with caring for, training and racing the Horses; and
 - (ii) associated with operating the Scheme and its assets,

commensurate with the Scheme's interest in the particular Horses, having regard to circumstances where the Scheme and another person(s) are co-owners of the Horses.

All Horses are held in accordance with the Rules of Racing. The Rules of Racing govern ownership and other decisions in relation to racehorses. The Manager's ability to manage and influence decisions relating to Horses is limited to the extent of the relevant ownership percentage held by the Responsible Entity in accordance with the Rules of Racing.

1.3 The purpose of this PDS

There is currently only one class of Units on issue in the Scheme. The Units offered for sale under this PDS are Units of the same class currently on issue.

This PDS explains the benefits and risks of acquiring Units from the Manager and provides information to Investors about special features of acquiring the Units, including information about the investment strategy of the Scheme.

This PDS explains how Investors will be able to acquire Units from the Manager and how horses are purchased, managed and traded for the Scheme and the general operation of the Scheme.

1.4 Units for purchase

In accordance with the terms described in this PDS, the Manager is offering to sell its Units at the transfer price set out in this PDS. All Units sold in accordance with the terms described in this PDS are sold unencumbered (that is, there are no restrictions on title the Units being sold).

The Manager owns Units because it has acquired Units that were issued by the Responsible Entity. The Manager acquired Units by way of issue in exchange for the transfer of a Horse, or an interest in the Horse, to the Responsible Entity for the Scheme. The Manager also owns some Units transferred to it under the forfeiture process under the Constitution.

The Manager wishes to sell its Units to persons interested in enjoying the benefits of participating in the Scheme as a Unit Holder. Existing Unit Holders may purchase Units, as well as persons who are not Unit Holders (subject to restrictions described in this PDS).

The Manager may place a limit on the number of its Units that it wishes to sell. The offer to purchase Units from the Manager under this PDS will be available until the Manager determines that the offer should be closed.

As at the date of this PDS, Units cannot be acquired by way of issue from the Responsible Entity. However, the Responsible Entity may issue Units under a Product Disclosure Statement that it prepares and issues in the future. The sale of the Manager's Units under this PDS does not preclude the subsequent issue of Units by the Responsible Entity at an issue price determined in accordance with the Constitution. Information about Unit pricing is set out in Section 1.6 (*Unit pricing*). If the Responsible Entity issues Units in the future, the Manager or its associates may apply for and be issued such Units in the future.

Investors should undertake their own inquiries, and conduct their own due diligence, about the merits of acquiring Units from the Manager and the transfer price offered by the Manager under this PDS.

1.5 What you receive when you acquire a Unit

If you become a Unit Holder under an acquisition of Units from the Manager, your investment in the Scheme will be governed principally by the Constitution.

Under the Constitution, Unit Holders will be entitled to a proportionate share of the economic benefits and obligations attached to the Horses. For more information about the investment strategy of the Scheme, see Section 3 (*Investment objective of the Scheme*).

A Unit, however, does not confer on the Unit Holder any entitlement to any particular asset of the Scheme or to any part of the assets.

1.6 Unit pricing

To acquire a Unit under the transfer process you will need to pay the transfer price (see Section 10.1 (*Transfer price*) for more information).

As an open-ended managed investment scheme, each Unit will have a Unit price. A Unit price is determined with respect to any subsequent issue of Units, and any redemption of Units which are permitted by the Responsible Entity.

Unless there is to be a new class of Units to be issued, the on-going Unit price is calculated by dividing the net asset value (determined by the gross asset value less all amounts required to meet liabilities, including fees, provisions and accrued expenses, and unpaid distributions, in accordance with the Constitution) divided by the number of Units on issue. The Constitution permits the Responsible Entity to charge a transaction charge on the issue or redemption of Units.

The Responsible Entity has a Unit Pricing Policy and a Valuation Policy in place in relation to the Scheme. Investors may obtain a copy of this policy by contacting the Responsible Entity.

1.7 The Responsible Entity

The Responsible Entity is Sire Custodians Ltd (ABN 45 005 088 371), which holds an Australian financial services licence, numbered 223671.

The Responsible Entity was incorporated in 1975 and specialises in the establishment and operation of horse racing and horse breeding (stallion) schemes. It has held its current AFSL since 2003, but held equivalent authorisations prior to that time.

The Responsible Entity is a professional responsible entity and trustee which is unrelated to the Manager or the Trainer(s).

1.8 The Manager

The Responsible Entity has appointed The Racing League Pty Ltd (ABN 29 641 198 790) as the investment manager of the Scheme (**Manager**). The Manager has relevant expertise in horse racing and is regarded as able to procure the services of various persons, including bloodstock consultants, veterinarians, and horse trainers, and to monitor the provision of services in relation to the Scheme.

The Manager is majority-owned by 99SPORTS Pty Ltd (ABN 17 139 338 051), which is in the business of providing communications systems within the thoroughbred horse racing industry between breeders, trainers, and owners.

The Manager is unrelated to the Responsible Entity.

Directors

The directors of the Manager are responsible for overseeing the Manager's activities in relation to the Scheme and for making significant decisions pertaining to the Scheme. The directors are:

- (a) **Steven Kitchener Brown** – Steven is a director and company secretary of the Manager. Steven is an experienced racehorse owner and breeder. He has been the principal of Kitchwin Hills Stud at Scone in the Hunter Valley for more than 20 years and has 28 years' experience in financial markets at Bankers Trust, JP Morgan & Citigroup. Steven has a successful track record managing teams and growing businesses. He possesses a strong appreciation of stakeholder outcomes. Steven sees mainstream ownership as a significant

potential growth channel for racing and is motivated by a passion to change the game.

- (b) **Fraser Neill** – Fraser is a director of the Manager. Fraser is an experienced senior executive who has held Chief Executive Officer and Chief Operating Officer positions across a variety of businesses. He is currently managing director of Acclimate Solutions Pty Ltd. Acclimate was established in 2012 as a business advisory service, operating primarily in the sport, leisure, and recreation industries.
- (c) **Terry Kennedy** – Terry is a director and General Manager Commercial of the Manager. Terry is an award-winning racing journalist and a distinguished sports commentator, including rugby league, and the Olympic and Commonwealth Games.

Responsibilities of the Manager

The Responsible Entity has appointed the Manager, under the Management Agreement, to provide investment management services in connection with the Scheme. Under this appointment, the Manager is responsible for managing the day-to-day operation of the Scheme. These responsibilities are described in Section 2 (*Key features of the Scheme*) and in Section 9.4 (*Material contracts*).

The Responsible Entity has also appointed the Manager as its authorised representative to provide financial services in connection with the Scheme under a corporate authorised representative appointment agreement. The Manager's authorised representative number is 001283358.

1.9 Scheme registration and this PDS

The Scheme is a managed investment scheme that was registered with ASIC on 7 September 2020. The Constitution and the Compliance Plan, which together detail how the Scheme operates and is monitored, have been lodged with ASIC. Further information about the Constitution and Compliance Plan are set out in Section 9.1 (*Constitution of the Scheme*) and Section 9.3 (*Compliance Plan*) respectively.

This PDS was prepared by the Manager. It has not been, and is not required to be, lodged with ASIC. The Manager will notify ASIC that this PDS is in-use in accordance with the requirements of the Corporations Act. ASIC has no responsibility for the contents of this PDS. This PDS is available electronically via the Manager's website at www.trl.net.

Investing in the Scheme is not without risk and you may lose some or all of your investment. It is important that you read and understand each of the risks set out in Section 6 (*What are the risks of investing in the Scheme?*).

You should read this PDS in its entirety before deciding to invest.

1.10 How to keep track of your investment

The Manager issues regular digital progress reports on each of the Horses and make additional information available via its website at www.trl.net.

1.11 What happens at the end of the life of the Scheme?

Under the Constitution, the Responsible Entity may terminate the Scheme at any time by giving notice to Unit Holders of the termination. It may exercise this right for any reason.

Following the termination of the Scheme, the Responsible Entity will realise all assets of the Scheme, pay winding up costs and expenses and other Scheme liabilities (including unpaid fees to the Responsible Entity) and distribute the balance to Unit Holders in the same proportion as the number of Units held bears to the total number of Units on issue at the relevant time.

In realising the assets of the Scheme, the Responsible Entity may elect to:

- (a) sell all interests in a Horse to a third party for value;
- (b) transfer title to a Horse to the Manager. To do this, the Horse will be transferred to the Manager at a price that is negotiated on commercial arm's length terms, payable to the Responsible Entity; or
- (c) transfer a Horse to a third party for no value for the purpose of rehoming the Horse.

1.12 Code of conduct

The Manager and the Responsible Entity want to make ownership a pleasurable experience for all Unit Holders. All Unit Holders are governed by the ARR, and PRA Rules where the horses are trained and likely to race. All Unit Holders are expected to act in the best interest of racing, the Horses and all parties associated with the Scheme. For more information, a copy of the Australian Rules of Racing can be obtained from the Racing Australia Limited website at <http://www.racingaustralia.horse/>.

2 Key features of the Scheme

The table below provides a summary of key features of the Scheme. You must read the whole of this PDS to obtain more information.

Feature	Description
General	
What do I get?	<p>By holding units in the Scheme, Unit Holders are entitled to economic interests attached to Horse ownership. In addition, Unit Holders will further enjoy the entertainment experiences associated with the ownership of racehorses.</p> <p>For more information about the features of the Scheme and the arrangements in relation to horses that are (or are intended to be acquired) by the Scheme, see this Section 2 and Section 3 (<i>Investment objective of the Scheme</i>).</p>
What is the Manager's role?	<p>Under the Management Agreement, the Manager is responsible for:</p> <ol style="list-style-type: none">Horse acquisition Identifying and acquiring suitable horses (or interests in horses) for the Scheme and undertaking due diligence in respect of the horses.Investment management Supervising and managing key activities relating to the management of the Scheme including performing, or causing to be performed, the following investment management services:<ol style="list-style-type: none">reporting periodically on the status of the Scheme's investments including all income or capital earned on the Horses and valuation of the Horses;determining any costs and expenses payable from the Scheme's assets and procuring the Responsible Entity to pay such amounts when due; andensuring compliance with all applicable Australian laws and the Rules of Racing.Horse management Managing Horses on terms described in this PDS. The Responsible Entity in its capacity as responsible entity of the Scheme, as a holder of legal title to the Horses, has the same rights afforded to all owners under the rules and regulations of the Principal Racing Authority (refer to www.racingaustralia.com.au for the latest rules and guidelines). These rights are aligned with the Scheme's ownership interests in the relevant Horse. For example, ownership of a 50% share in a Horse will afford the Scheme more rights and control over day-to-day decisions pertaining to the Horse than a 5% ownership share would. In accordance with the Australian Rules of Racing, where the Scheme, or its nominated representative, is also appointed as the Racing Manager in respect of a Horse of which the Scheme has a

Feature	Description
	<p>major ownership right, it will authorise the Manager to do the following:</p> <ul style="list-style-type: none"> (a) facilitate the naming of the Horse that is unnamed at the time of acquisition and in which the Scheme holds a majority interest; (b) arrange for the appointed trainer of the Horse to take possession and day-to-day control of the Horse for the purpose of: <ul style="list-style-type: none"> (i) training and racing it to best advantage; (ii) caring for and maintaining it, including (without limitation) providing stabling and ancillary facilities, equipment and gear, feed, and supplements; (iii) providing, or as the agent of the Manager procuring, agistment and pre-training; and (iv) as the agent of the Manager procuring the services of such third party service providers as the Trainer considers necessary, including chiropractic care, dentistry, farriery, veterinary care, and transportation; (c) determine in consultation with the Trainer its racing program and the jockey who will ride it in each of its races; (d) ensure that the horse, if retired from racing and considered by the Manager to be not suitable for breeding, but suitable for retraining and rehoming as an equestrian or riding horse, is re-trained and rehomed; and (e) determine when the horse is sold and the most suitable method of sale. <p>If the Responsible Entity does not have a controlling or majority stake, the Manager will, in collaboration with the person who is appointed by the majority of co-owners as the Racing Manager of the Horse, vote on required matters such as naming, retirement, gelding and sale of the Horse, in accordance with the relevant co-owners' agreement and the Rules of Racing.</p> <p>Important Notice: The Manager can only exercise its rights (as an agent of the Responsible Entity) in accordance with the relevant co-owners' agreement and the Rules of Racing.</p> <p>4 Arranging insurance cover</p> <p>Where the Manager considers it to be appropriate, arranging and obtaining (for the Responsible Entity's approval) mortality insurance cover for the Horses on the most favourable terms commercially available.</p> <p>5 Physical events</p> <p>Arranging and co-ordinating physical horse-related events, such as race day functions, barrier trial attendance and stable visits are the responsibility of the Manager.</p> <p>If the Responsible Entity does not have a controlling or majority stake, the Manager will, in collaboration with the person who is appointed by the majority of co-owners as the Racing Manager of the</p>

Feature	Description
	<p>Horse, vote on required matters such as naming, retirement, gelding and sale of the Horse, in accordance with the relevant co-owners' agreement and the Rules of Racing.</p> <p>Important Notice: The Manager can only exercise its rights (as an agent of the Responsible Entity) in accordance with the relevant co-owners' agreement and the Rules of Racing.</p> <p>6 Communications</p> <p>All communications:</p> <ul style="list-style-type: none"> (a) with the Unit Holders; (b) with the Trainer(s); and (c) with all third parties who provide services in relation to the Horses. <p>Important Notice: Unit Holders are not authorised to contact the relevant Trainer directly without consent from the Manager or otherwise where permitted as part of a Manager's promotion or premium content experience.</p>
How do I access your services?	Go to www.trl.net or contact the Manager via telephone on 1300 771 913.
What is The Racing League?	The Manager is a sporting organisation designed to increase Unit Holder participation in the operation of the Scheme, and by so doing enhance the overall ownership experience for Unit Holders. If the Manager decides it is in the best interests of Unit Holders' ownership experience, the Manager may offer Unit Holders the opportunity to participate in deciding upon a Horse to be traded each year. The Scheme participates with the other managed investment schemes also managed by the Manager in a points-based league competition. For more information in relation to 'The Racing League', go to www.trl.net or contact the Manager.
Investing in the Scheme	
Who can invest?	Any individual Australian resident who is over the age of 18 years and any person or entity who is eligible to be the owner of a racehorse under the Australian Rules of Racing and the Australian Stud Book Rules and Guidelines. If a Unit Holder becomes ineligible to be an owner that Unit Holder must within 7 days notify the Manager and make arrangements to transfer or surrender the Unit(s) held. More information can be found in Section 1.12 (<i>Code of Conduct</i>), Section 6 (<i>What are the risks of investing in the Scheme</i>) and Section 9.13 (<i>Rules of Racing</i>).
What is the transfer price of Units?	The transfer price for each individual Unit offered for sale under this PDS is \$260 per Unit. See Section 10.1 (<i>Transfer price</i>) for more information.

Feature	Description
How many Units can I purchase?	You may purchase such number of Units which the Manager considers to be available for purchase. The maximum number of Units available for purchase cannot exceed the number of Units held by the Manager.
How is the transfer price applied?	The transfer price is paid to the Manager and kept by the Manager as part of its own assets. The transfer price is consideration paid by the Investor for the transfer of the Manager's Units to the Investor.
Do I have to pay anything more once I become a Unit Holder?	<p>Yes. All Unit Holders are required to pay on-going dues and other contributions for the upkeep of the Horses and the costs and expenses of the Scheme.</p> <p>The dues and contributions are as follows:</p> <ul style="list-style-type: none"> (a) monthly dues of \$27.50 per Unit; (b) annual capital contribution of \$60 per Unit held; and (c) special levies of \$2.50 per Unit held upon retirement of each Horse. <p>Your monthly dues are used by the Manager on behalf of the Responsible Entity to meet costs and expenses of the Scheme associated with racing the Horses or operating the Scheme. The costs and expenses may include:</p> <ul style="list-style-type: none"> (a) training fees; (b) insurance fees and costs; (c) standard race nomination fees; (d) transportation fees and costs; (e) standard veterinary fees and costs; (f) agistment fees and costs; (g) farrier fees and costs; (h) dental fees and costs; (i) feeding fees and costs (j) medical fees and costs; (k) rehoming fees and costs; and (l) fees payable to the Manager, the Trainer(s), and the Responsible Entity. <p>Your annual capital contributions are used by the Manager on behalf of the Responsible Entity to purchase replacement horses (or an interest in horses).</p> <p>The special levies of \$2.50 per Unit are for the costs and expenses associated with the process of retiring a Horse. In addition to this special levy, if the aggregate monthly dues and any net Prizemoney or Net sale proceeds are insufficient, the Responsible Entity may charge Unit Holders an additional special levy to meet extraordinary</p>

Feature	Description
	<p>or unexpected costs associated with the Scheme or the assets of the Scheme, including for the following purposes:</p> <ul style="list-style-type: none"> (a) to cover the costs of holding a meeting of Unit Holders; (b) to cover the costs of a major dispute or a litigation affecting the Scheme (c) to cover the premiums in relation to any insurance procured in the circumstances contemplated by Section 3.5 (<i>Insurances</i>); (d) to cover the cost of non-routine veterinary treatments and surgery; (e) to cover one-off payments that relate to securing a slot in The Everest, Golden Slipper or Melbourne Cup or any other feature races approved by the Manager; and (f) to cover any other costs and expenses associated with the purchase of a replacement horse (or an interest in a replacement horse), including bloodstock advice fees, sales company commissions, insurance, transport and any associated care or training costs incurred before a replacement horse (or an interest in a replacement horse) are acquired by the Scheme. <p>The monthly dues, annual capital contribution and special levies are payable by Unit Holders by direct debit to a nominated credit card.</p>
How long can I invest for?	<p>An Investor is buying Units for the life of the Scheme.</p> <p>The Scheme is open-ended. This means the Scheme does not have an automatic termination date (other than specific termination events described in the Constitution) and the Responsible Entity does not intend to operate the Scheme only for a specific duration. Units can be transferred with the approval of the Responsible Entity.</p> <p>The Responsible Entity currently operates the Scheme in accordance with the investment objective described in Section 3.1 (<i>Investment objective</i>).</p> <p>If, on the recommendation of the Manager, the investment objective cannot be realised, or has been realised, the Responsible Entity may terminate and wind up the Scheme. Under the Constitution, the Responsible Entity may terminate the Scheme at any time by notice to Unit Holders, and may do so for any reason.</p> <p>If the Scheme is terminated, it is intended that, following the discharge of, or provisioning for, any actual or anticipated Scheme liabilities, money held in the Scheme will be distributed to Unit Holders.</p>
Are there risks in investing?	<p>Yes, there are risks which may lead you to lose some or all your investment. It is important that you read and understand each of the risks set out in Section 6 (<i>What are the risks of investing in the Scheme?</i>).</p>

Feature	Description
How do I withdraw my investment in the Scheme?	Investors do not have a right to demand that the Responsible Entity redeems their Units. It is not expected that the Responsible Entity will accept any redemption applications during the life of the Scheme, and therefore you should consider that you cannot withdraw your investment during the life of the Scheme.
Can I trade my Units?	<p>Unit Holders may transfer their Units to another person in accordance with the Constitution and subject to the approval of the Responsible Entity at its discretion. Transfers will not be effective until registered by or on behalf of the Responsible Entity. On and from the date the transferee becomes a Unit Holder, the transferee is required to pay the monthly dues, the annual capital contributions and other special levies, which may be levied on Unit Holders from time to time.</p> <p>Transfers are subject to the same KYC provisions as set out in Section 9.12 (<i>Anti-money laundering laws</i>).</p>
Distributions	
What return do I receive for my investment?	<p>The objective of the Scheme is to deliver an entertainment experience associated with owning a stable of premium racehorses and to ideally generate income in the form of any Prizemoney earned by the Horses. As the prospect of winning races and Prizemoney is entirely speculative, no income projections are made.</p> <p>More information can be found out in Section 5 (<i>Benefits of investing in the Scheme</i>).</p>
When do I receive payments?	<p>The Constitution and the nature of the Scheme contemplate that any income and capital of the Scheme will be distributed periodically.</p> <p>The Responsible Entity intends to distribute net Scheme income in the form of any Net Prizemoney received (subject to the Responsible Entity first utilising any Net Prizemoney to pay any outstanding extraordinary or unexpected expenses of the Scheme).</p> <p>Any capital of the Scheme (that is, Net Sale Proceeds where a Horse is sold) is distributed after the conclusion of the sale (subject to the Responsible Entity first utilising any Net Sale Proceeds to pay any outstanding extraordinary or unexpected expenses of the Scheme).</p> <p>Income and/or capital distributions may be made after Fund is terminated and wound up. See Section 1.11 (<i>What happens at the end of the life of the Scheme?</i>) for more information.</p>
How are my payments calculated?	The distributable income of the Scheme Units will be distributed proportionately to the Unit Holders in the same proportion as the number of Units held bears to the total number of Units on issue at the relevant time.
How to I receive payments?	Distributions will be paid by electronic funds transfer to each Investor's nominated bank/credit union account.

Feature	Description
<i>Fees and charges</i>	
What fees and charges do I pay?	<p>There is no transfer fee for the purchase of Units from the Manager under the terms described in this PDS.</p> <p>Where you as a transferee become a Unit Holder, as a Unit Holder you are required to pay monthly dues (which are used to meet the Responsible Entity's fees and other costs and expenses in connection with the acquisition, maintenance, management or disposal of Scheme assets), and annual capital contributions (which are used to purchase new or replacement horses for the Scheme).</p> <p>Extraordinary or unexpected costs and expenses of the Scheme which cannot be satisfied out of aggregate monthly dues held by the Scheme may also be paid out of Net Prizemoney earned by, or any Net Sale Proceeds received from the sale of, the Horses (as applicable).</p> <p>The Responsible Entity reserves the right to:</p> <ul style="list-style-type: none"> (a) increase or decrease the amount of, or change the frequency of payment of, the monthly dues or annual capital contributions payable to the Responsible Entity, by way of notice to Unit Holders; (b) increase or decrease the amount of the special levy for the retirement of a Horse by way of notice to Unit Holders; or (c) require Unit Holders to pay a special levy at any time to meet unexpected costs and expenses associated with the assets of the Scheme including (without limitation) operations, veterinary, attendances or expenses associated with racing a Horse, being costs and expenses which could not be otherwise satisfied out of the Scheme's assets. <p>The failure to pay any amounts required as set out above could result in the imposition of late fees, interest and/or forfeiture of your Units or a part thereof.</p> <p>Refer to Section 7 (<i>Fees and other costs</i>) for more information about the fees and costs (including how costs are recovered) in relation to the Scheme.</p>
What fees and other costs are payable in respect of the Scheme?	<p>Refer to Section 7 (<i>Fees and other costs</i>) for more information about fees and costs that are payable in respect of the Scheme. This includes fees payable to the Responsible Entity and the Manager, as well as other costs and expenses in relation to the Scheme and the ownership of Horses.</p> <p>Ordinary fees and costs are generally paid out of the monthly dues payable by the Unit Holders. Unless there are sufficient assets in the Scheme from any Net Prizemoney or any Net Sale Proceeds which has not been distributed to Unit Holders, the Responsible Entity may also require Unit Holders to pay special levies for extraordinary or unexpected costs and expenses, in addition to the special levy of \$2.50 per Unit in the retirement of a Horse. The failure to pay monthly dues, annual capital contributions or special levies could</p>

Feature	Description
	result in the imposition of late fees, interest and/or forfeiture of your Units or a part thereof.
Sale of horses	
What happens at the end of a Horse's racing career?	<p>The Manager will, in accordance with the level of authority provided by the Responsible Entity's legal ownership entitlements under the relevant co-owners' agreement, decide whether to sell a Horse or retire and rehome a Horse. In particular:</p> <ul style="list-style-type: none"> (a) if the Horse is of significant commercial value, it may be sold at the conclusion of its racing career by such means as the Manager considers appropriate; or (b) if the Horse does not have significant commercial value, it will be retired from racing and rehomed. Where a Horse is rehomed, the transfer of the Horse to the new owner is for zero consideration (i.e. for no value). <p>The Responsible Entity will distribute any Net Prizemoney or Net Sale Proceeds proportionately to Unit Holders in the same proportion as the number of Units held bears to the total number of Units issued, although prior to making any such distributions the Responsible Entity may pay any outstanding extraordinary or unexpected costs and expenses of the Scheme.</p> <p>More information can be found in Section 5 (<i>Benefits of investing in the Scheme</i>).</p>

3 Investment objective of the Scheme

3.1 Investment objective

The objective of the Scheme is to maintain a consistent number of competitive racehorses from year-to-year for the life of the Scheme, where the horse satisfies the investment criteria it determines from time to time. The Responsible entity currently operates the Scheme in accordance with this investment objective.

As racing horses is a high risk and speculative pursuit, there is no certainty over the number of horses that will be acquired for the Scheme or the period during which a Horse will continue racing. If a Horse is successful, it may race for a longer period. If a Horse is unsuccessful, it may race for a shorter period. For racehorses, the span of their racing career can be between 1 to 8 years.

3.2 The Racing League

The Racing League Pty Ltd is a sporting organisation designed to increase Unit Holder participation in the operation of the Scheme, and by so doing enhance the overall ownership experience for Unit Holders. At various stages of the ownership experience, the Manager may offer Unit Holders the opportunity to participate in deciding upon a Horse's name, trainer and, if deemed in the interests of the Unit holders' ownership experience, the opportunity to participate in deciding upon a Horse to be traded each year. The Scheme participates with the other managed investment schemes also managed by the Manager in a points-based league competition.

The Racing League' is designed to be an enjoyable team-based sporting experience, and that this experience is not intended to override the legal character of the Scheme which is essentially a unit trust registered with ASIC. That is, this user experience complements the legal character of the Scheme.

For more information in relation to 'The Racing League', go to www.trl.net or contact the Manager.

3.3 Current Horses

A list of the current Horses owned by the Responsible Entity in its capacity as responsible entity of the Scheme is set out on the Manager's website at www.trl.net, which may change from time to time.

3.4 Horse acquisition details

The Responsible Entity applies the property of Scheme to acquire a horse or an interest in a horse on behalf of the Scheme and for the benefit of Unit Holders. The Manager recommends to the Responsible Entity which horse, or an interest in a horse, the Responsible Entity should acquire.

When the Responsible entity acquires a horse, or an interest in a horse, it acquires the legal and beneficial title to the horse, or an interest in the horse, in its capacity as trustee and responsible entity of the Scheme.

Prior to agreeing to acquire the interest, the Manager will obtain a reputable equine veterinarian report evidencing that they considered the relevant horse to be in good physical condition and suitable for purchase as a prospective racehorse.

When a Horse is retired from racing, the Manager will assess if it has a significant commercial value. If it is considered that the Horse does have a significant commercial value, then it may be sold.

3.5 Insurances

Ordinarily, the Horses will not be insured for mortality or other insurable risks, except in the following circumstances:

- (a) each horse acquired for the Scheme as a new/replacement horse will be insured from the fall of the hammer until the horse is formally acquired by the Scheme and paid for; and
- (b) after the horse becomes a Scheme asset, the Manager (with the approval of the Responsible Entity) may in some (but not all) circumstances procure the insurance any Horse that is considered by the Manager to have a commercial value significantly above its initial purchase price (for example a Group winning Colt with residual value as a stallion) and the premium attaching to the insurance cover will be a Scheme operating expense payable by the Unit Holders by the issuing of a special levy.

The Responsible Entity maintains professional indemnity insurance in respect of the Scheme.

3.6 Trainer(s)

Subject to the relevant co-owners' agreement and the Rules of Racing, the Manager will appoint a Trainer for each Horse with consideration of:

- (a) the Trainer's track record evidencing success at training thoroughbred horses;
- (b) demonstrating the ability to provide a quality ownership experience;
- (c) the Unit Holders' preferred Trainer (to be determined by a vote of Unit Holders); and
- (d) where a horse is purchased in partnership with a given trainer, that Trainer will be pre-determined by the given partnership.

The disclosure of training fees and ancillary services are provided by each Trainer to the Manager in accordance with the terms of the Training Agreement and Fees Notice.

The Manager retains the right to select the trainer of each Horse (or any replacement trainer) in accordance with the legal entitlements the Responsible Entity has under the relevant co-owners' agreement (based on respective ownership percentages). If for any reason, a Trainer either resigns or is unable to continue training any of the Horses, then the owners (and the Manager on behalf of the Scheme) will agree the appointment of a new trainer of comparable profile.

3.7 What happens if the Trainer is unavailable?

The Manager and each Trainer have agreed that the Trainer will train the Horses in accordance with the terms of the Trainer's Training Agreement and Fees Notice.

If for any reason the Trainer either resigns or is unable to continue training the Horses, then the Manager will appoint a new trainer of comparable profile.

4 Commonly asked questions

This section contains a selection of commonly asked questions about the Scheme. If you have any other questions, please contact the Manager by email at help@trl.net.

Question	Answer
How will trophies/race day memorabilia be dealt with?	All trophies won by the Horses will be dealt with by the Manager, at its discretion, subject to the Manager's ability to deal with the trophies in accordance with the relevant ownership percentage held by the Responsible Entity in accordance with the Rules of Racing. It is currently intended that all trophies won by a Horse may be auctioned/raffled amongst the Unit Holders, with the proceeds to be donated to a charity chosen by the Manager.
How will the welfare of the horses be protected?	The Manager aims to put the wellbeing of the Horses as the first priority, and as such aims to take into account the wellbeing of the Horse in all decisions in relation to a Horse.
What Trainer updates will I receive?	<p>As a Unit Holder in the Scheme, you will receive via the Manager at least the same level of progress reporting from the Trainer (via the Manager) as is normally provided by the Trainer directly to the owners of other racehorses.</p> <p>Trainers are expected to provide video, voice, photographic or text updates on a regular basis.</p>
Will I receive enclosure tickets?	<p>For racehorses, current race club rules provide for an allocation of owner's enclosure tickets only on race day.</p> <p>The Manager will retain up to two tickets from the Scheme's proportion of the tickets for its own use and ballot the remaining tickets amongst the other Unit Holders who attend the race day.</p>
When will the Horses be sold or retired?	<p>The Manager is responsible for managing the Horses. At the forefront of the Manager's objectives is the welfare of the Horses and the best interests of the Unit Holders.</p> <p>If the Manager determines that racing, or continuing to race, a Horse is not in the interests of the Horses itself or Unit Holders, then the Horses will either be sold, or rehomed, at the Manager's discretion.</p> <p>If the Manager considers a Horse has no significant commercial value, the Manager may, at its discretion, rehome the Horse or transfer it to a rehoming program.</p> <p>In each case, the Manager's decisions in relation to the Horses are subject to the Manager's ability to deal with these decisions in accordance with the relevant ownership</p>

Question	Answer
	percentage held by the Responsible Entity in accordance with the Rules of Racing.
What is the Manager's role?	<p>The Manager will work closely with the Trainers to ensure that the Horses are exposed to the best possible racing programs, jockeys, and other important career management decisions.</p> <p>The Manager, in conjunction with the Trainer, is responsible for all decision making in relation to the Horses, subject to the Manager's ability to deal with the Horses in accordance with the relevant ownership percentage held by the Responsible Entity in accordance with the Rules of Racing.</p>
Can I contact the Trainer?	<p>Unit Holders are strictly prohibited from contacting the Trainer directly.</p> <p>Questions regarding the Horses should be directed to the Manager at help@trl.net or using the contact functionality on the Manager's website.</p>
What is the code of conduct?	The Manager wants to make racehorse ownership a pleasurable experience for all Unit Holders. As a Unit Holder in the Scheme, you must comply with the Rules of Racing, act in the best interests of racing and the Scheme.
Will racehorses run under any specific colours?	Where the Manager is appointed as the Racing Manager, the Horses will likely run under the Manager's colours and silks. Where Manager is not the Racing Manager, the colours will be determined by the Racing Manager in accordance with the terms of the relevant co-owners' agreement.
What measures are in place to manage potential conflicts of interest?	<p>The acquisition of a Horse, or an interest in a Horse, by the Scheme from the Manager must be at the original acquisition price of the Horse (or interest in the Horse), without any mark-up by the Manager. The Manager is entitled to be reimbursed for all associated acquisition and holding costs and expenses incurred by the Manager between the time of acquisition of the Horse (or interest in the Horse) by the Manager and the acquisition of the Horse (or interest in the Horse) by the Scheme.</p> <p>Furthermore, in respect of a Horse, if the Trainer is part of the decision to acquire a Horse the Trainer must warrant to the Manager that the Trainer has not received any incentive from the vendor(s) in respect of the purchase of the Horse and that no other conflicts of interest exist.</p> <p>For more information about potential conflicts of interest, see Section 9.15 (<i>Potential conflicts of interest</i>).</p>

Question	Answer
What kind of proceeds are earned by owning a horses?	All Net Prizemoney and Net Sale Proceeds are distributed to Unit Holders in the same proportions as the number of Units held bears to the total number of Units on issue, but subject to the Responsible Entity's right to determine to retain the Net Prizemoney and Net Sale Proceeds for the payment of extraordinary or unexpected costs and expenses of the Scheme.
What type of insurance is taken out?	<p>Ordinarily, the Horses will not be insured for mortality or other insurable risks, except in the circumstances set out in Section 3.5 (<i>Insurances</i>).</p> <p>The Responsible Entity maintains professional indemnity insurance in respect of the Scheme, and the amount payable in respect of insurance premiums for professional indemnity insurance is paid by the scheme.</p>

5 Benefits of investing in the Scheme

An investment in the Scheme gives Investors the opportunity to enjoy the following benefits.

Significant benefits	Description
Participation in horse racing	<p>Holding a Unit allows you to participate indirectly in the horse racing industry. The Responsible Entity holds an interest in Horses on behalf of Unit Holders, and has appointed a Manager to manage the Horses and provide other services in relation to the Scheme.</p> <p>The Manager will work closely with the Trainer(s) to ensure the Horses are exposed to high quality racing programs, jockeys, and other important career management decisions.</p> <p>Unit Holders will receive at least the same level of communication from a Trainer (via the Manager) of the Horse in which the Scheme has an ownership interest as the Trainer would provide directly to the other owners of the Horse.</p> <p>A Trainer is expected to provide video, voice, photographic or text updates on a regular basis to the Manager for distribution to Unit Holders. The Manager has service level agreements with each Trainer and are constantly monitoring the level of communication to the Unit Holders.</p>
Sharing in Prizemoney and other winnings	<p>All Net Prizemoney earned by the Horses are apportioned to the owners, which includes the Scheme, in the same proportions as the interests held by the owners in the Horses. The Scheme's proportion of any Net Prizemoney is distributed to Unit Holders in the same proportion as the number of Units held bears to the total number of Units on issue, subject to the Responsible Entity's right to determine to retain the Net Prizemoney in the Scheme for the payment of extraordinary or unexpected costs and expenses of the Scheme.</p> <p>All Prizemoney and other winnings are subject to the Principal Racing Authority's mandatory deductions, including but not limited to the Trainer, jockey, and strapper fund collections. Refer to information under the heading 'Mandatory deductions by the Principal Racing Authority' in Section 7.4 (<i>Additional explanation of fees and costs</i>) for more information about these mandatory deductions from Prizemoney.</p>
Other ownership rights	<p>An investment in the Scheme will afford you the opportunity to experience other non-financial owners'</p>

Significant benefits	Description
	<p>benefits in respect of a racehorse, subject to the terms of any applicable co-owners' agreement, including:</p> <ul style="list-style-type: none"> ▪ (naming rights) the Unit Holders may be afforded the opportunity to make a nomination on the naming of a Horse if it is unnamed at the time it is acquired for the Scheme and the Scheme acquires a majority interest in the Horse. This opportunity will not be possible if the Horse is already named, or the Scheme acquires less than a majority interest in the Horse; and ▪ (enclosure ticketing) race clubs allocate a limited number of racecourse and mounting enclosure tickets to the owners of horses on race days. The Manager may retain two or more such tickets from the Scheme's proportion of the tickets for its own use and ballot the remaining tickets amongst the Unit Holders.
Capital proceeds	<p>It is intended that after life of the Scheme, net proceeds of the Scheme's assets, after payment of any costs and liabilities (including any fees payable to the Responsible Entity), will be distributed proportionately to Unit Holders in the same proportions as the Units held bears to the total number of Units issued.</p>

6 What are the risks of investing in the Scheme?

All investments carry risk. In investment terms, risk is the variability of returns over time and the potential loss of capital. Risk means it is not possible to predict the returns that an investment will achieve. Investment returns are not guaranteed, and past performance is not an indicator of future performance. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. The likely investment return and the risk of losing money are different for every investment. Assets with the highest long-term returns may also carry the highest level of short-term risk.

The value of an investment in the Scheme will rise and fall in line with the changing value of the Horses. The risks outlined in the table below have been identified by the Responsible Entity, but they are not intended to be a complete list and do not take account of your personal circumstances.

Each Investor has their own particular investment objectives, financial situation, and particular needs. You should consult with your financial adviser before investing and from time to time, to ensure your investment is, and remains, appropriate to your needs. So that your personal circumstances can be considered, it is recommended that you:

- (a) read the whole of this PDS to fully appreciate these matters;
- (b) think about your tolerance to risk and how the potential investment risks of this Scheme may affect you; and
- (c) seek your own legal, financial and tax advice before deciding to invest. Any investment in thoroughbred horses must be considered as highly speculative.

Risk	Description
General investment risks	
Market risk	<p>An investment in the Scheme is subject to general market risks, in Australia or in another country or region. For example, an investment is subject to:</p> <ul style="list-style-type: none">▪ a downturn in general economic and market conditions;▪ unfavourable movements in interest rates, employment rates or inflation;▪ changes to the law, government policy and tax settings;▪ changes to governments;▪ changes to consumer confidence;▪ political or social unrest; and▪ natural disasters, including terrorist attacks or war.
Loss of capital risk	<p>The value of the Units you hold can change rapidly due to changes in the performance of the assets of the Scheme (particularly the horses owned in whole or in</p>

Risk	Description
	<p>part by the Scheme), and the and market conditions affecting the value or performance of the assets of the Scheme, and you could lose the capital you invest.</p> <p>Horse racing is highly speculative in nature, and horses may not be able to be sold for value.</p>
Personal circumstances risk	<p>Investment risks can affect your financial circumstances in a number of ways, including:</p> <ul style="list-style-type: none"> the stated aims and objectives of the Scheme may not be met; the amount of any distribution you receive from the Scheme may vary or be irregular, which could have an adverse impact if you depend on regular and consistent distributions to meet your financial commitments; your investment in the Scheme may decrease in value, which means you may get back less than you invested; and other factors such as your age, the length of time you intend to hold your investment, other investments you may hold, and your personal risk tolerance will affect the levels of risk for you as an Investor.
Volatility risk	<p>Generally, the higher the potential return for the investment, the higher the risk, and the greater the chance of fluctuation in returns (including the possibility of losses) that may occur over time (especially over shorter periods of time).</p>
Inflation risk	<p>Your investment in the Scheme may not keep pace with inflation, which would reduce the future purchasing power of your money.</p>
Force majeure risk	<p>A force majeure is an unexpected event such as war, a criminal act, a pandemic or an epidemic, or a natural disaster which would result in one or more parties to a contract being unable to fulfil their obligations. A force majeure event could be significant enough to impact the business of the Scheme, the Manager or the Responsible Entity and cause Unit Holders to suffer higher than anticipated financial loss.</p>
Legal and regulatory risk	<p>Changes in laws or their interpretation, including taxation and financial services regulatory laws, practice and policy could have a negative impact on your investment in the Scheme or the ability of the Responsible Entity to continue to operate the Scheme.</p>

Risk	Description
	These changes may occur during the time that you are a Unit Holder.
Investment objective risk	Investment objective risk is the risk that your choice of investments will not meet your objectives. One measure of an investment's risk is how much the returns vary from period to period. The greater the variance in returns, the more likely returns will differ from those expected over a given period.
General Scheme risks	
Dependence on the Manager	<p>The Responsible Entity has engaged the Manager to manage the day-to-day operation of the Scheme. The Manager is contractually obliged to continue acting as the Manager and if it fails to do so, then the Responsible Entity has the right to appoint an alternate third party manager. There are risks attached to the Responsible Entity's dependence on the Manager, including:</p> <ul style="list-style-type: none"> ■ reliance on the skill and expertise of the Manager to acquire, manage, maintain, and (where appropriate) market and sell a Horse, as well as how these functions are carried out; ■ the way in which the Manager selects a horse (or an interest in a horse) and then manages it for the Responsible Entity on behalf of the Unit Holders; and ■ changes in the personnel of the Manager which may reduce its skill level in managing the Horses.
Dependence on the third party service providers	The Manager engages the services of various third party service providers to provide services in relation to the operation of the Scheme, including various bloodstock consultants, veterinarians, and licensed trainers. There are risks attached to the Manager's and Responsible Entity's dependence on those third parties, including (without limitation) the risk that the third party fails to effectively provide the services and support that such parties are contracted to provide.
Dependence on the payment of costs	The cash flow required for the effective operation of the Scheme is dependent upon the monthly dues payable by Unit Holders being sufficient to pay the operating costs and expenses of the Scheme. Costs and expenses that are payable in respect of the Scheme will reduce overall returns on invested capital, and if monthly dues are not paid the Scheme may not have sufficient cash resources available to meeting the ordinary costs and expenses of the Scheme.

Risk	Description
	<p>Unexpected or extraordinary costs and expenses may require the Responsible Entity to charge a special levy, if there are no other aggregate monthly dues or any Net Prizemoney or any Net Sale proceeds available to meet such costs and expenses.</p>
<p>Illiquidity risk</p>	<p>Your Units in the Scheme will be illiquid. The Scheme is not liquid for the purposes of the Corporations Act.</p> <p>Unit Holders have no right to require the Responsible Entity redeem Units or to buy them back. The Responsible Entity may, however, approve of transfers of Units to another person on the secondary market, if there is a secondary market.</p> <p>Depending on prevailing conditions it may be difficult for the Responsible Entity to dispose of the Horses in a timely manner or at an optimal sale price. This may affect the Responsible Entity's ability to return capital to Unit Holders and may reduce the value of your Units. There can be no assurance as to the timing of any opportunity to redeem from the Scheme, or that any distributions will be paid at all.</p>
<p>Diversity risk</p>	<p>The lack of diversity in the nature of the assets of the Scheme may not suit your investment needs. Investing in the Scheme is highly risky since 100% of such investment is concentrated in a combination of Horses (or interests in Horses).</p> <p>Temporary consumer popularity or passing investment trends among investors may lead to short-term or temporary price increases, followed by decreases in value. Trends are difficult to predict and may adversely impact the Responsible Entity's ability to sell a Horse (or an interest in a Horse).</p>
<p>Potential conflicts of interest risk</p>	<p>The interests of the Manager, the Responsible Entity and their officers and shareholders may not always be aligned with your interests. For more information, see Section 9.15 (<i>Potential conflicts of interest</i>).</p>
<p>Technology risk</p>	<p>The ownership experience has a high digital component. There is a risk that the technology platform that is used to deliver reports from the Manager fails. Neither the Manager nor the Responsible Entity will be responsible for any communication failure, disruptions, distortions or delays you may experience.</p>
<p>Purchasing risk</p>	<p>Any investment in the Scheme or permitted transfer of your Units to another party will be entirely at your risk.</p>

Risk	Description
	<p>Investors are directly or indirectly responsible to pay all sales tax, value-added tax, GST and other taxes, duties, and assessments (except taxes on the Responsible Entity's personal income) now or hereafter claimed or imposed by any governmental authority associated with an investment in the Scheme or a permitted transfer of Units.</p>
Forfeiture risk	<p>Under the Constitution, if a Unit Holder is in default of an amount payable to the Responsible Entity, the Responsible Entity has the right to impose late fees, to charge interest on any outstanding amount and to make all Units held by that Unit Holder liable to be forfeited to the Responsible Entity as the Unit Holder's agent. As agent of the forfeiting Unit Holder, the Responsible Entity may sell or otherwise transfer the forfeited Units, and deducted from any sale proceeds the reasonable costs of the sale and reasonable administrative costs of the Responsible Entity arising from the forfeiture, along with any outstanding amounts due from the defaulting Unit Holder. The Responsible Entity may appoint the Manager as its delegate to manage this sale/transfer process. There is no guarantee that there is a market for the sale of forfeited Units, and the Manager may be the only buyer/transferee of such forfeited Units.</p> <p>If you become ineligible to be an owner of a horse under the Rules of Racing, then you must immediately notify the Manager and the Responsible Entity of that fact and the Responsible Entity may compulsorily redeem your Units, regardless of the value of the Units at that time. For more information see Section 9.13 (<i>Rules of Racing</i>).</p>
Investment risk	<p>There is a risk that an investment in the Scheme may not produce any return at all, or that Investors may suffer a loss of capital.</p> <p>None of the Responsible Entity, Manager or their officers, employees, related parties, associates, consultants, advisers and agents, or any other person, guarantees the performance or success of the Scheme, the repayment of capital invested in the Scheme by an Investor, or a particular rate of return on investments in the Scheme.</p> <p>There can be no assurance that the Scheme will achieve results that are comparable to the track record of the Responsible Entity or Manager or that the Scheme's investment objectives will be achieved.</p>
Distribution risk	<p>As a result of the inherent risk in any investment there is no guarantee that the Scheme will pay distributions.</p>

Risk	Description
	<p>The Responsible Entity does not expect to generate revenue for the Scheme given the nature of investments in horses (or interests in horses), so Investors will only receive a return on their investment if a Horse wins prize money from racing, or is sold for a profit, or Investors are able to sell their Units. Investors must be prepared to hold their investment for the life of the Scheme, but in doing so there is no guarantee that there will be any income or capital distributed at winding up.</p>
Taxation risk	<p>The effect of taxation on Investors is complex and the summary in Section 8 (<i>Taxation</i>) is general in nature. Taxation laws may change over time in a way that adversely affects Investors. Investors should seek professional taxation advice specific to their own circumstances.</p>
Legal risk	<p>The Scheme may, in the ordinary course of business, be involved in possible litigation and disputes and any legal claims or third party claims.</p> <p>A material or costly dispute or litigation may affect the value of the assets, the income of the Scheme or the ability of the Responsible Entity to achieve the investment strategy of the Scheme. The cost of any potential or actual litigation is borne by the Scheme's assets.</p> <p>Buying and selling a horse (or an interest in a horse) can involve potential claims regarding title, provenance and or medical condition of the horse. Costs associated with litigation and or settlement are the responsibility of the Responsible Entity. These costs may be managed by the Manager on behalf of the Responsible Entity.</p> <p>In addition, there is a risk that Racing Australia may not recognise the transfer of title of a horse (or interest(s) in horses) to or from the Responsible Entity. While we consider this to be highly unlikely, in these circumstances the Responsible Entity may be required to terminate and wind up the Scheme.</p>
Horse-specific risks	
Horse acquisition risk	<p>A horse (or interest in a horse) may be acquired from a vendor on the basis of certain declarations made by the vendor about the state of the horse and the condition and welfare of the horse. Once acquired, a Horse may have undisclosed medical conditions or other unidentified issues that prevent the Horse from racing.</p>

Risk	Description
	<p>The Manager's policy is for sellers of a horse (or interest in a horse) to make full disclosure of medical conditions and confirm to the Responsible Entity in the terms and conditions of sale that all events pertaining to the horse have been fully disclosed. These risks, however, cannot be fully mitigated by disclosure by the vendor or by undertaking pre-purchase checks including veterinary examinations.</p> <p>Whilst the Manager requires a vendor of a horse to make certain declarations regarding the state of the horse being acquired and disclosure of known medical conditions (either current or historic), the Responsible Entity and Manager accept no responsibility for the factual accuracy of the declarations made by the vendor. It would be the Responsible Entity's intention to pursue such persons for false declarations that lead to economic loss for the Unit Holders, however, these intentions may be uneconomic to pursue or not lead to recovery of loss. The Responsible Entity reserves the right not to pursue these matters without explanation to the Unit Holders.</p> <p>Should these circumstances arise, the Responsible Entity and the Manager intend to ban the seller from selling further horses to the Scheme and will not acquire any other horses from that owner for the Scheme.</p>
Industry conditions risk	<p>Changes in the thoroughbred industry or market conditions could have a positive or negative impact on your investment during the time that you are a Unit Holder, including:</p> <ul style="list-style-type: none"> ▪ variability in the level of demand for related thoroughbred horses and thoroughbred horses of equivalent calibre both at public auction and by private treaty; ▪ variability in the level of supply of related thoroughbred horses and thoroughbred horses of equivalent calibre both at public auction and by private treaty; ▪ variability in determining the market value of a Horse; and ▪ any other change in the current conditions affecting investment in the thoroughbred horse racing, including level of Prizemoney and taxation benefits available to thoroughbred breeders. <p>Further, it is also possible that restrictions in the racing of thoroughbred horses, or an outright ban on horse racing, could occur in any or all the Australian states in which the Horses may be raced. If that occurs, it is likely that the market for thoroughbred racehorses will</p>

Risk	Description
	<p>cease, in which case there will be no market for the disposal of the Horses. If that occurs, you may lose all your investment, there will be no further opportunity to win Prizemoney and there may be a period when you are still required to pay the costs associated with the maintenance and welfare of the Horses.</p>
<p>Risks associated with owning Horses</p>	<p>Risks specifically associated with the Horses include (without limitation):</p> <ul style="list-style-type: none"> ■ there is no guarantee: <ul style="list-style-type: none"> (i) as to when the Horses will commence racing; or (ii) that the Horses: <ul style="list-style-type: none"> ○ will have the ability to win any races or Prizemoney; or ○ will have any significant residual value either at any time during or at the end of their racing career; ■ the value of a Horse is likely to fluctuate while it is owned by the Scheme and will be affected by market forces, its race performances, and its suitability for breeding at the end of its racing career. A Horse may decline in value and Unit Holders may lose all or a significant portion of their investment. Even if a Horse appreciates in value, the rate of appreciation may be insufficient to cover costs and expenses; ■ the Horses must meet the conditions of being a thoroughbred horse under the Rules of Racing and the Australian Stud Book. Compliance with these requirements is the responsibility of the seller of the Horses and the Responsible Entity accepts no responsibility for compliance with these requirements; ■ a Horse may die or its suitability for racing or subsequently for breeding may be diminished or lost the materialization of an inherent risk, howsoever arising, including (without limitation) accident or injury, illness, infertility or sub-fertility, or natural cause, or other risks that may be insignificant or not reasonably foreseeable; ■ if a Horse is an entire (male horse that has not been gelded), it may require gelding. Most male racehorses are gelded either for physical considerations or in an attempt to modify behaviour to enhance racing performance. However, even if the Horse is permitted to remain

Risk	Description
	<p>an entire, a residual value as a stallion is not assured; and</p> <ul style="list-style-type: none"> ■ racing stables, racecourses, and other places where the Scheme's horses may be located from time to time can be dangerous places, including because horses do not always behave as expected. Entering onto those places involves the risk of accident, injury, and loss or damage to person or property for all persons who enter. <p>Unit Holders should also anticipate that the value of the Units will fluctuate during the term of the Scheme and that neither the Responsible Entity nor the Manager intend to offer any facility to facilitate trading of Units.</p> <p>See Section 9.14(<i>Acquisition and management of horses</i>) for more information.</p>
Animal risk	<p>As an animal, there is a risk of injury or illness to a Horse, and the Horse may not recover or recover fully from such illness or injury. Illness or injury may significantly impact the ability of the Scheme to derive revenue from a Horse, or any capital return on the disposal of the Horse. Further, there is a risk that a Horse may die (including by euthanasia). Such illness, injury or death may occur suddenly, including early in the life of the Horse.</p> <p>The occurrence of these events could immediately adversely impact the ability of the Scheme to generate financial returns to Unit Holders.</p>
Insurance coverage may be insufficient	<p>Where insurance is taken out, insurance coverage may expressly exclude damage caused by certain events. In addition, coverage limits at any point in time may be below fair value. Investors are totally reliant on the resources of the Manager and the Responsible Entity in relation to the operation of the Scheme. The Manager has no liquid capital resources and is totally reliant on its equity base and operating cash flows. If this funding was to cease for any reason, the Manager may not be able to identify additional sources of capital. This may impact the continuity of the Scheme.</p>
Restrictions on ownership	<p>Where the ownership of a horse is shared with others, the ability of an owner (such as the Responsible Entity) is limited to the percentage ownership interest in the horse. A lack of control of the horse may affect the Responsible Entity's ability to maximise financial returns for Unit Holders.</p> <p>The Manager's ability to manage and make decisions pertaining to a Horse is limited to the Responsible Entity's ownership interest in the Horse. This will</p>

Risk	Description
	<p>impact the Manager's influence over the maintenance, training and racing of the Horse and may impact the likelihood of Net Prizemoney being earned or Net Sale Proceeds being maximised.</p> <p>See Section 9.14 (<i>Acquisition and management of horses</i>) for more information.</p>
Transfer risks	
Risk of transfer requests not being accepted	<p>While the Manager proposes to transfer its Units on terms described in this PDS, there is a risk that the Responsible Entity rejects the proposed transfer, and the Responsible Entity does not need to give you a reason for doing so.</p> <p>See Section 10.3 (<i>Transfer requests may be rejected</i>) for more information.</p>
Transfer price risk	<p>The transfer price is determined by the Manager and not the person seeking to purchase the Manager's Unit. The transfer price, and the methodology of its determination, is set out in Section 10.1 (<i>Transfer price</i>).</p> <p>There is a risk that the transfer price may not reflect adequately the value of a Unit.</p> <p>There is also a risk that, should the Responsible Entity issue Units under a new Product Disclosure Statement, that the issue price of such Units could be lower than the transfer price.</p> <p>These risks in part reflect the risk associated with determining the market value of a Horse, as explained in the risk above titled 'Risks associated with the Horses'.</p>

7 Fees and other costs

7.1 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.

7.2 Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted 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 summary ¹		
<i>The Racing League 2020 - Team Husslers</i>		
Type of fee or cost	Amount ^{2,7}	How and when paid
Ongoing annual fees and costs		
Management fees and costs ³ The fees and costs for managing your investment	\$65.95 per Unit	Paid as and when they are incurred out of the dues or special levies (as applicable). Any other costs or expenses incurred in relation to the Scheme that are not covered by the monthly dues or special levies are paid out of the assets of the Scheme (in

Fees and costs summary¹		
		particular, any Net Prizemoney or Net Sale Proceeds) as and when they are incurred.
Performance fees Amounts deducted from your investment in relation to the performance of the product	\$0 per Unit	Payable upon the sale of a Horse (or interest in a Horse) out of the assets of the Scheme.
Transaction costs⁵ The costs incurred by the scheme when buying or selling assets	\$0.84 per Unit.	Transaction costs are paid as and when they are incurred out of the assets of the Scheme.
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	Not applicable.	Not applicable.
Contribution fee The fee on each amount contributed to your investment	Not applicable.	Not applicable.
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil.	Not applicable.
Withdrawal fee⁵ The fee on each amount you take out of your investment	Not applicable.	Not applicable.
Exit fee The fee to close your investment	Not applicable.	Not applicable.

Fees and costs summary ¹		
Switching fee The fee for changing investment options	Not applicable.	Not applicable.

1. Unless otherwise stated, amounts include, where applicable, GST less any reduced inputs tax credits any applicable stamp duty. All fees and costs stated are current at the date of this PDS. All figures have been rounded to two decimal places.
2. All estimates of fees and costs in this section are based on information available as at the date of this PDS and reflect the Responsible Entity's reasonable estimates of the typical fees for the current financial year. It is intended that fees and costs are borne by Unit Holders in proportion to their Unit holdings. There may be other fees and costs that are payable, such as financial institution fees and charges, government charges and transaction charges. For more information, see Section 7.4 (*Additional explanation of fees and costs*).
3. The costs component of management fees and costs reflect the actual amount incurred for last financial year. The management fees and costs do not include horse-related fees and costs. For more information about management fees and costs, please refer to 'Management fees and costs' in Section 7.4 (*Additional explanation of fees and costs*).
4. There may be performance fees that are payable when the performance of the Horses generates Net Sale Proceeds. The reasonable estimate of the performance fee is based on the average of the actual performance fees paid for the Scheme over the previous three financial years, however, there have been no performance fee paid over the past three financial years. Past performance is not a reliable indicator of future performance and the Scheme's actual performance fee will be based on the Scheme's performance over the relevant period. The basis for the calculation of all performance fees payable out of Scheme assets is set out under the heading 'Performance fees' in Section 7.4 (*Additional explanation of fees and costs*).
5. Transaction costs are costs incurred when Scheme assets are bought or sold. The amount quoted reflects the transaction costs not recovered by the buy/sell spread, for the last financial year, including our reasonable estimates where information about actual costs was unavailable at the date of this PDS. For more information, see under the heading 'Transaction costs' in Section 7.4 (*Additional explanation of fees and costs*).
6. 'Nil' means there is an entitlement under the Constitution but the Responsible Entity has elected not to charge it. 'Not applicable' means there is no entitlement for the Responsible Entity to charge this fee.

7.3 Example of annual fees and costs for the Scheme

This table gives an example of how the ongoing annual fees and costs in the balanced investment option for this product 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.

EXAMPLE - The Racing League 2020 - Team Husslers ¹		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contribution Fees	\$0	For every additional \$5,000 you put in, you will be charged \$0
PLUS Management fees and costs ²	\$65.95 per Unit	And , for every \$50,000 you have in The Racing League 2020 - Team Husslers you will be charged or have deducted from your investment \$12,662.40 each year
PLUS Performance fees ³	\$0 per Unit	And , you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs	\$0.84 per Unit	And , you will be charged or have deducted from your investment \$161.28 in transaction costs

EXAMPLE - The Racing League 2020 - Team Husslers¹

BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR

EQUALS Cost of The Racing League 2020 - Team Husslers

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 of:

\$14,092.69⁴

What it costs you will depend on the investment option you choose and the fees you negotiate.

1. The fees and costs in this table are based on the Responsible Entity's estimates as at the date of this PDS and may vary over time. The Responsible Entity may update information on its website where the changes are not materially adverse to Unit Holders. Additional fees may apply, such as initial or one-off costs. For more information, see the information under the headings 'Management fees and costs' in Section 7.4 (*Additional explanation of fees and costs*). All figures have been rounded to two decimal places.
2. The management fees and costs set out in this table are typical ongoing management fees and costs, and do not include initial or one-off management fees or costs. The management fees and costs do not include horse-related fees and costs. For more information, please refer to information under the heading 'Management fees and costs' in Section 7.4 (*Additional explanation of fees and costs*).
3. As at the date of this PDS, the likelihood of winning any Prizemoney and the amount of any Net Sale Proceeds is not known and speculative only. The performance fees set out in this table are typical ongoing performance fees based on the Responsible Entity's estimates as at the date of this PDS. For more information, please refer to information under the heading 'Performance fees' in Section 7.4 (*Additional explanation of fees and costs*).
4. This example assumes that amounts of \$50,000 and \$5,000 may be invested into Units, and that the additional \$5,000 was invested at the beginning of the year. However, this table is an example of fees and costs prescribed by law.

Please note that this example does not capture all the fees and costs that may apply to you. For example, if you have consulted a financial adviser, you may pay additional fees. You should refer to the Statement of Advice or Financial Services Guide provided by your financial adviser in which details of the fees are set out. For more information, refer to 'Adviser fees' in Section 7.4 (*Additional explanation of fees and costs*).

ASIC provides a fees calculator on its website www.moneySMART.gov.au, which you could use to calculate the effects of fees and costs on your investment in the Scheme.

The form of the table above is prescribed under law and standard across Product Disclosure Statements, and sets out the typical ongoing fees. For a worked example of the ongoing amounts payable by an Investor, see under the heading 'Worked examples of fees and costs' in Section 7.4 (*Additional explanation of fees and costs*).

7.4 Additional explanation of fees and costs

Management fees and costs

The management fees and costs of the Scheme include management fees, indirect costs and recoverable expenses. They do not include the transaction costs, any buy/sell spread or any performance fees (if payable). Management fees and costs also do not include horse-related fees and costs as they either are costs related to a specific asset or activity to produce income that an Investor would incur if the Investor invested directly in the asset (in the case of monthly dues and special levies) or are used for the acquisition of new assets (in the case of annual capital contributions); for a worked example of the ongoing amounts payable by an Investor, see below under the heading 'Worked examples of fees and costs'. Information about such horse-related fees and costs is set out below.

The management fees and costs that are associated with establishing and operating the Scheme or the assets of the Scheme are payable out of the monthly dues payable by Unit Holders and, where the aggregate monthly dues held by the Scheme are insufficient, any other assets of the Scheme (in particular, the Net Prizemoney or Net Sale Proceeds received by the Scheme).

In particular, the management fees and costs of the Scheme include:

- (a) the Responsible Entity's fees for administering the Scheme, comprising:
 - (i) a Scheme establishment fee, which is a one-off fee of \$10,000 (plus GST) (which is borne by all Unit Holders in their respective proportions). This fee is paid for establishing the Scheme; and
 - (ii) a Scheme management fee of \$25,000 per annum (plus GST). This fee is paid for providing responsible entity and trustee services in relation to the Scheme;
- (b) the Manager's fees for managing the Scheme, which is an amount equal to the balance of the monthly dues imposed on Unit Holders, after the deduction of an amount determined by the Responsible Entity to be sufficient to pay all Scheme-related costs and expenses. This amount will vary depending upon a range of factors, including the number of Units on issue, the number of Unit Holders, and the fees and costs in respect of the Scheme. Furthermore, the entitlement of the Manager to receive this amount will be subject to the power of the Responsible Entity to retain in the Scheme's trust account an amount equivalent to its reasonable estimate of budgeted operating expenses for the Scheme for a period of 3 months in advance; and
- (c) other costs and expenses in respect of the Scheme, including operating and compliance costs.

The Responsible Entity reserves the right to amend the amount of monthly dues payable, or issue further special levies (in addition to the monthly dues, annual capital contributions and special levies for retiring a Horse) to pay extraordinary Scheme-related costs and expenses, such as the costs of calling and holding a meeting of Unit Holders or the costs of a major dispute or a litigation affecting the Scheme. Under the Constitution, this special levy is called a 'Special Class Levy'.

Other fees and costs

There may be other fees and costs payable in relation to the Scheme from time to time that are not covered by monthly dues, annual capital contributions or special levies. These include:

- (a) ASIC annual return lodgement fees;
- (b) professional indemnity insurance premiums;
- (c) fees and costs associated with the preparation and lodgement of tax returns;
- (d) establishment costs in relation to the Scheme, including administering dues and levies, issuing of Units and establishing the Unit register; and

-
- (e) fees and costs payable in relation to the Scheme, including management fees, accounting, administration and secretarial fees, audit servicing fees, and fees of external auditors (financial and compliance).

It is not possible to accurately forecast all fees and costs of managing and operating the Scheme assets over the full life of the Scheme due to variability in pre-training, training, racing and performance outcomes each year.

Horse-related fees and costs

There are other costs and expenses of the Scheme which are not management fees and costs, but which are payable from the monthly dues. Generally, these are fees and costs associated with training, holding and racing the Horses. These horse-related fees and costs, and they are payable out of the monthly dues and, where the aggregate monthly dues held by the Scheme are insufficient, any other assets of the Scheme (in particular, the Net Prizemoney or Net Sale Proceeds received by the Scheme).

Examples of horse-related fees and costs include:

- (a) training fees;
- (b) agistment costs;
- (c) premiums payable for mortality insurance, life saving insurance and public liability insurance in respect of the horses (where applicable);
- (d) initial costs relating to break-in fees;
- (e) race nomination fees;
- (f) transportation fees;
- (g) the rehoming fees and costs (in respect of managing the welfare and transition post-racing in respect of the Horses);
- (h) medical expenses. This includes a medical contingency fee based on the age, condition, life of the Scheme and expected life of the Horses;
- (i) fees and costs associated with preparing the Horses for sale, including transport, commissions and additional veterinary fees; and
- (j) any other fees payable and expenses reimbursable to the Trainer and other third party service providers for maintaining, transporting, caring for, training and racing the Horses.

The Responsible Entity reserves the right to amend the amount of monthly dues payable, or issue further special levies (in addition to the monthly dues, annual capital contributions and special levies for retiring a Horse) to pay extraordinary Horse-related costs and expenses, as explained below.

Right to charge a special levy for extraordinary horse-related fees and costs

In addition to the special levy of \$2.50 per Unit for retiring a Horse, the Constitution permits the Responsible Entity to charge Unit Holders a special levy to meet extraordinary or unexpected costs and expenses of the Scheme associated with the assets of the Scheme, including for the following purposes:

- (a) to cover the premiums in relation to any insurance procured in the circumstances contemplated by Section 3.5 (*Insurances*);
- (b) to cover the cost of non-routine veterinary treatments and surgery;
- (c) to cover one-off payments that relate to securing a slot in The Everest, Golden Slipper or Melbourne Cup or any extraordinary nomination or acceptance fee relating to a Horse's participation in any race approved by the Manager; and
- (d) to cover any other costs and expenses associated with the purchase of a replacement horse (or an interest in a horse), including bloodstock advice fees, sales company commissions, insurance, transport and any associated care or training costs incurred before a replacement horse (or an interest in a horse) are acquired by the Scheme.

Under the Constitution, this special levy is called a 'Special Class Levy'.

The Responsible Entity will, on the recommendation of the Manager, charge this special levy only where such costs and expenses are extraordinary or unexpected, or cannot be satisfied from the aggregate monthly dues held by the Scheme or from any undistributed Net Prizemoney or Net Sale Proceeds.

Mandatory deductions by the Principal Racing Authority

Prize money earned is subject to the mandatory deductions as set out in the below table, which are made by the relevant Principal Racing Authority under the Rules of Racing prior to the balance being paid to the owner of the winning horse. The balance paid to the owner(s) of the winning horse that is paid to the Scheme is what is referred to in this PDS as 'Net Prizemoney'.

Mandatory allocation of Prizemoney by the Principal Racing Authorities under the Rules of Racing – expressed as a percentage (%) of gross Prizemoney							
ARR rule 126 and PRA Rules - Subject to change	VIC	NSW & ACT	SA			QLD & NT	WA & TAS
			Win	Placing			
Recipient				(1)	(2)		
● Trainer	9.7	9.9	10	10	10	9.9	10
● Jockey	4.85	4.95	5	5	5	4.95	5
● Stable hand prize money scheme	-	1.5	-	-	-	-	-
● Jockey insurance & welfare scheme contribution	1	1	-	-	-	-	-
● Animal welfare fund contribution	2	1	-	-	-	1	-

• Net Prizemoney payable to owner	82.45	81.65	85	85	85	84.15	85
-----------------------------------	-------	-------	----	----	----	-------	----

Notes:

1. NSW – \$250 or over metropolitan, provincial, and country.
 2. SA – Placing (1) Prize for the placing is \$300 or more; and (2) Prize for the placing is less than \$300 and greater than \$100.
- Other states and territories may vary.
3. Access Fee: Racing Victoria Limited also deducts a fee of \$77 including GST from Prizemoney each time a horse races and earns Prizemoney. It is invested back into the facilities at the track where the horse is trained.
 4. Net Prizemoney payable to Owner for Jumps races in Vic is 77.6% and in SA is 80% for win and 90% for placing.

Performance fees

Generally, a performance fee is an amount paid or payable, calculated by reference to the performance of the Scheme.

Manager's performance fee

The Manager is entitled to performance-based fees for operating aspects of the Scheme on behalf of the Responsible Entity, including buying, selling and managing the Horses and the relationship with the Trainers.

The Manager is entitled to a performance-based management fee of 20% (plus GST) of the Net Sale Proceeds from the sale of a Horse.

The performance fees set out in the 'Fees and costs summary' in Section 7.2 (*Fees and other costs*) and in the 'Example of annual fees and costs' in Section 7.3 (*Example of annual fees and costs for the Scheme*) are disclosed as zero per Unit because there has been no performance fee paid to the Manager since in the inception of the Fund and the Manager does not consider it likely at a performance fee is payable to it in the future.

Trainer's performance fees

The terms of each Trainer's Training Agreement and Fees Notice may provide for the Trainer to be paid and receive performance-based fees, being:

- (a) if the Horse, being other than a colt or entire, is sold for profit while being trained by the Trainer or within three months after ceasing to be trained by the Trainer, then a performance fee may be payable to the Trainer; and
- (b) if the Horse, being a colt or entire, is sold or retired to stud, then a performance fee may be payable to the Trainer.

The above performance fees will be paid only where a Training Agreement and Fees Notice provides for the payment of such fees, and such fees are payable in such amounts and at such times as set out in the terms of such agreements,

The above Trainer's fee is payable by the Responsible Entity to the Trainer upon the sale of the Horse or the retirement of the Horse to a stud (whichever applicable) out of the Net Sale Proceeds.

The following are examples of how the performance fees will be calculated.

Type of performance fee	Assumptions	Calculations
Manager's performance fee	Assuming a Horse sells for \$10,000 and the costs of the sale amount to \$1,000.	$0.2 \times (10,000 - 1,000) = \$1,800$, plus GST.
Trainer's performance fee	Assuming a Horse sells for \$10,000 and the costs of the sale amount to \$1,000, and the Trainer's performance fee is 5% of the Net Sale Proceeds.	$0.05 \times (10,000 - 1,000) = \450 , plus GST.

Performance fees are only payable on future events and when performance targets are achieved. They are paid solely out of the benefits derived from the performance of the Horses and no additional cash calls will be made to fund such payments.

Transaction costs

Transaction costs are costs incurred when Scheme assets are bought or sold, and include brokerage, buy-sell spreads, due diligence costs, sales commission and legal, advisory and other professional costs.

The transaction costs set out in the 'Fees and costs summary' in Section 7.2 (*Fees and other costs*) is net of any amount recovered by any buy-sell spread. This is equal to the gross transaction costs of the Scheme, as the Responsible Entity currently does not currently charge a buy-sell spread. However, the buy-sell spread is only relevant on the issue or redemption of Units, not on the transfer of Units on terms set out in this PDS, and should new issues or redemptions be permitted the Responsible Entity may charge a buy spread or a sell spread respectively in the future.

Transaction costs in relation to the acquisition of the Horses are an additional cost to Unit Holders (where not otherwise recovered through the buy/sell spread). They are paid as and when they are incurred, or reimbursed, out of the monthly dues payable by Unit Holders. If there are insufficient aggregate monthly dues, transaction costs are paid out of the assets of the Scheme (in particular, the Net Prizemoney or Net Sale Proceeds received by the Scheme).

Bank and government charges

In addition to the fees set out in this section, standard government fees, duties and financial institution fees and charges may also apply to investments and withdrawals (including dishonour fees and bank charges) and may be payable by the Investor/Unit Holder.

There may also be fees payable by Unit Holders to other financial intermediaries in connection with the electronic transfer of funds.

Changes to dues and fees

The Responsible Entity reserves the right to amend the amount of the monthly dues and annual capital contribution, or the amount of the special levy for retiring a Horse, which

are payable by Unit Holders. The Constitution does not set out a maximum amount which may be charged in respect of monthly dues, the annual capital contribution, or a special levy. Under the Constitution, the monthly dues are called 'Periodic Class Dues', the annual capital contribution is called the 'Annual Capital Contribution', and both the special levy for the retirement of a Horse and any further special levy for extraordinary or unexpected costs and expenses is each called a 'Special Class Levy'.

The Responsible Entity may increase or decrease its fees for a number of reasons without Investor consent, subject to the maximum fee amounts specified in the Constitution. Investors will be given notice of any changes to fees in accordance with the Corporations Act (for example, where there is an increase in fees or charges and the Scheme is not a disclosing entity, investors will be notified at least 30 days before the increase takes effect). Recoverable Scheme expenses may change without notice, for example, when it is necessary to protect the interests of Unit Holders and if permitted by law.

Under the Constitution, the Responsible Entity is entitled to the following maximum fees:

- (a) a one-off establishment fee of up to \$10,000 per class payable in arrears on the issue of the first Units of that class. The establishment fee has been paid; and
- (b) a Scheme management fee of up to \$25,000 per annum per class calculated and accrued daily and payable quarterly in arrears. The Constitution permits the Scheme management fee to be reviewed on each anniversary of the commencement of the Scheme, and increased (if applicable) by the amount by which the Consumer Price Index (All Groups CPI) has increased over the previous year (by reference to the Consumer Price Index (All Groups CPI) published by the Australian Bureau of Statistics for the quarter ending immediately prior to each anniversary of the date of the commencement of the Scheme).

If the Responsible Entity wishes to raise its fees above the maximum amount allowed for in the Constitution, the Responsible Entity would first need to obtain the approval of Unit Holders.

Adviser fees

Additional fees may be paid to a financial adviser if a financial adviser is consulted. Refer to the Statement of Advice provided by the financial adviser in which details of the fees are set out.

The Responsible Entity will not pay any remuneration or benefits to financial advisers where it is not permitted by law.

Worked examples of fees and costs

Amounts payable on an ongoing basis

Unit Holders are required to pay monthly dues and annual capital contributions on an ongoing basis. These comprise:

- (a) an ongoing monthly due of monthly dues of \$27.50 per Unit;
- (b) an ongoing annual capital contribution of \$60 for each Unit held; and

- (c) special levies of \$2.50 per Unit held upon retirement of each Horse.

The following table sets out examples of the monthly dues and annual capital contributions that are required to be paid by Unit Holders for Units purchased from TRL after 1 July 2023, depending on the number of Units held by the Unit Holder.

Number of Units	Ongoing dues	Ongoing capital contribution	Total amount payable
1 Unit	\$27.50 per month (or \$330 per annum)	\$60 per annum	\$390 per annum
5 Units	\$137.50 per month (or \$1650 per annum)	\$300 per annum	\$1950 per annum
10 Units	\$275 per month (or \$3300 per annum)	\$600 per annum	\$3900 per annum

The worked example does not include any special levies payable on the retirement of a Horse, as this special levy depends on the particular circumstances regarding the retirement of the Horse.

Differential fees

To the maximum extent permitted by law, the Responsible Entity provides a different structure for the payment of monthly dues for those Unit Holders who have held Units prior to 1 July 2023. In particular, with effect on and from 1 July 2023, in reliance on an ASIC legislative instrument, the Responsible Entity has determined to waive \$15 per Unit in respect of the monthly dues for each Unit held by such Unit Holders in addition to their initial Unit. That is, the monthly dues for such Unit Holders is \$27.50 for the first Unit they hold, and \$12.50 for each additional Unit they hold. For Unit Holders who hold Units that have been acquired both before 1 July 2023 and on or after 1 July 2023, this \$15 per Unit waiver applies only to those Units that were acquired prior to 1 July 2023. This arrangement does not adversely affect the monthly dues payable by Investors who hold Units on and from 1 July 2023, and does not compromise the viability of the Scheme.

7.5 GST

All amounts quoted in this section are quoted on a GST-inclusive basis, as the Scheme will be obliged to pay the GST component of invoices for goods and services supplied without the right to claim back those amounts from the ATO. For further details see Section 8 (*Taxation*).

8 Taxation

Neither the Manager nor the Responsible Entity are not experts in taxation and persons considering an investment in the Scheme and Unit Holders are advised to consult their own professional advisers as to the income tax consequences of investing in the Scheme and in relation any changes in the taxation law and practice which may occur subsequent to the date of this PDS.

The following information is of a general nature relating to the holding of Units, and is included in this PDS by way of information only and does not constitute taxation advice to persons considering an investment in the Scheme or Unit Holders.

It explains why the Scheme will not have an Australian Business Number (**ABN**) and will not be registered for GST.

The racing activities of the Scheme, from a Unit Holder perspective, are not considered to be a 'business' for income tax purposes. This being the case, it follows that the annual income distributions of the Scheme will not be assessable income, nor will related expenses be deductible.

Acquiring, holding, and disposing of Units in the Scheme may have important taxation and social security implications for investors. The following is only a very general summary of the current taxation legislation. Tax and social security requirements are complex, and you should obtain professional advice that is relevant to your own circumstances.

8.1 Income tax

It is considered that the Scheme will not be conducting an income tax 'business' nor a GST 'enterprise'. All income will be distributed to Unit Holders in proportion to their Unit holding. If you are an investor who is an Australian resident, you will not need to include in your taxable income for the financial year any income distributed to you.

8.2 Withholding tax

Further, if you are a non-resident of Australia for taxation purposes, withholding tax will not apply to any income distributed to you.

8.3 Capital gains tax

Capital gains realised by Unit Holders on the disposal of their Units may form part of their assessable income. Where Units have been held for more than 12 months, in calculating the assessable capital gain, the Unit Holder will be entitled to a capital gains (**CGT**) discount of 50% if they are individuals or 33.3% if they are a complying superannuation fund. If the Units have been held for less than 12 months, the discount is not available.

Capital losses realised by Unit Holders on the sale of their Units are calculated without applying the CGT discount. Capital losses are not allowed as a deduction against assessable income but may be offset against current year capital gains or may generally be carried forward to be offset against capital gains of future years. In the case of capital gains that are eligible for the CGT discount, capital losses must be offset against the nominal gain before applying the CGT discount.

9 Additional information

9.1 Constitution of the Scheme

The Scheme is established by the Constitution, as amended from time to time. The provisions of the Constitution are binding on each Unit Holder and persons claiming through them, as if the Unit Holder or person were a party to that Constitution.

A number of provisions in the Constitution have been explained in this PDS, including the beneficial entitlement to share in the Scheme's assets associated with holding a Unit, the Responsible Entity's power to charge Unit Holders fees and dues, and the term and termination of the Scheme. The Constitution covers a number of additional matters, including:

- (a) the nature of the Unit which are issued, and rules for issuing, transferring and redeeming Units;
- (b) the obligations and duties of Unit Holders, including the obligation to pay periodic class dues, the annual capital contribution and special levies raised by the Responsible Entity;
- (c) the rights of Unit Holders to receive Scheme income, by reference to the income received by the Responsible Entity from the horses;
- (d) Unit Holder meetings (a resolution may bind a Unit Holder, regardless of how or whether the Unit Holder voted);
- (e) the circumstances in which the Responsible Entity is and is not liable to the Unit Holders;
- (f) the Responsible Entity's rights, powers and entitlement to fees and expenses;
- (g) the Responsible Entity's right to create and establish different classes of Unit;
- (h) the Responsible Entity's right of indemnification out of the assets of the Scheme for all costs incurred by it in relation to the operation of the Scheme (subject to the proper performance of its duties);
- (i) the circumstances in which the Responsible Entity can terminate the Scheme as a whole; and
- (j) when the Responsible Entity can retire as trustee of the Scheme.

The Responsible Entity can amend the Constitution from time to time, subject to the provisions of the Constitution and the Corporations Act, including if it reasonably considers that the amendments will not adversely affect Unit Holders' rights. Otherwise, it must obtain the approval of the required number of Unit Holders at a meeting of Unit Holders (a resolution may bind you, regardless of how or whether you vote).

9.2 Compliance Committee

The Responsible Entity has established a Compliance Committee as required by the Corporations Act. The responsibilities of the Compliance Committee are to monitor to what extent the Responsible Entity complies with the Compliance Plan and to report any breaches to the directors of the Responsible Entity and in certain cases the ASIC.

The Compliance Committee comprises two external members and one representative of the Responsible Entity.

9.3 Compliance Plan

The Responsible Entity has prepared a Compliance Plan in accordance with the requirements of the Corporations Act, and ASIC policy, and has lodged a copy of that document with ASIC. The Compliance Plan sets out the compliance procedures that the Responsible Entity follows to ensure that it is complying with the Corporations Act and the Constitution. Its compliance with the Compliance Plan is independently audited each year, as required by the Corporations Act and the auditor's report is lodged with ASIC.

9.4 Material contracts

Management agreement

The Responsible Entity will enter into a Management Agreement with the Manager, under which the Manager agrees to carry out a range of duties including (without limitation):

- (a) the selection, acquisition and disposal of Horses for the Scheme; and
- (b) to manage the day-to-day operation of the Scheme, including the Horse, on behalf of the Responsible Entity.

The day-to-day responsibilities of the Manager are described in Section 2 (*Key features of the Scheme*).

Notwithstanding the Management Agreement, as legal owner of the Horses, the Responsible Entity reserves the right to make relevant ownership decisions pertaining to the Horses and may, at any time, decide to retire, sell or continue racing the Horses (subject to the relevant co-owners' agreement and the Rules of Racing).

The Manager is under no obligation to communicate to Unit Holders the reasons for any decision it makes with respect to each Horse or the Scheme, although the Manager is required to account to the Responsible Entity for the performance of its services in respect of the Scheme.

Other material agreements

The Manager will enter into a Training Agreement with each Trainer.

9.5 Keeping you informed

The Responsible Entity will keep you up-to-date regarding your investment. The Responsible Entity may ask the Manager to provide such information on its behalf. For example, you will receive or have access to see online:

- (a) a transaction confirmation after the Units which you have requested for are transferred; and
- (b) the annual financial report for the Scheme.

Digital communication is our default means of sending you information; however, we will send you information by post if you contact us and request this method of delivery.

9.6 Continuous disclosure

The Responsible Entity will meet its continuous disclosure obligations by publishing material information on the Manager's website at www.trl.net in accordance with the requirements of ASIC policy. Material information in relation to the Scheme, including continuous disclosure notices, is uploaded onto that website.

If the Scheme is a disclosing entity, the Scheme is subject to regular reporting and disclosure obligations. Investors have a right to obtain a copy of the following documents from the website www.trl.net:

- (a) the most recent annual financial report lodged with ASIC by the Scheme;
- (b) any half yearly financial report lodged with ASIC after the lodgement of that annual financial report but before the date of this PDS; and
- (c) any continuous disclosure notices lodged with ASIC by the Scheme after that annual financial report but before the date of this PDS.

Copies of documents lodged with ASIC in relation to the Scheme may be obtained from, or inspected at, an ASIC office.

If the Scheme is not a disclosing entity, Investors will be provided with ongoing disclosure of any material changes to a matter, or significant events affecting a matter, that would have been required to have been specified in a PDS, electronically via the Manager's website.

9.7 Cooling off

No cooling-off rights apply on the transfer of Units under the terms of this PDS.

The Scheme is not liquid with the meaning of that term under the Corporations Act, and the Manager's Units were not liquid at the time they were issued to the Manager.

9.8 Complaints

If you have any questions regarding the Scheme or are not completely satisfied with any aspect of services regarding the management of the Scheme, please contact the Manager via email at help@trl.net, or via telephone on 1300 771 913. The Manager will acknowledge receipt of your complaint and attempt to resolve it as soon as practicable. The Manager seeks to resolve potential and actual complaints over the management of the Scheme to the satisfaction of Investors.

Any complaint will be acknowledged in writing and responded to within 30 calendar days. If you believe that your matter has not been dealt with satisfactorily, you may lodge a complaint with the Australian Financial Complaints Authority (AFCA). The Responsible Entity is a member of AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)

Mail: Australian Financial Complaints Authority Limited
GPO Box 3, Melbourne VIC 3001

Time limits may apply to complain to AFCA and you should act promptly or otherwise consult the AFCA websites to find out if or when the time limit relevant to your circumstances expires.

9.9 Consents

The persons listed in the table below have given and have not withdrawn their written consent to:

- (a) be named in this PDS in the form and context in which they are named;
- (b) the inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in this PDS; and
- (c) the inclusion of other statements in this PDS which are based on or referable to statements made in those reports or statements, or which are based on or referable to other statements made by those persons in the form and context in which they are included:

Name of person	Named as	Reports or statements
Sire Custodians Ltd	Responsible entity of the Scheme	Statements attributable to the Responsible Entity

None of the persons referred to above has made any statement that is included in this PDS or any statement on which this PDS is based, other than any statement or report included in this PDS with the consent of that person as specified above.

Each of the persons referred to above:

- (a) has not authorised or caused the issue of this PDS, and makes no representation or warranty, express or implied, as to the fairness, accuracy or completeness of the information contained in this PDS; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this PDS other than references to its name or a statement or report included in this PDS with the consent of that person as specified above.

9.10 Directors' authorisation

The directors of the Manager state that they have made all reasonable enquiries and have reasonable grounds to believe that all statements in this PDS are true and not misleading. Each director of the Manager has given and has not, at the date of this PDS, withdrawn their written consent to the issue of this PDS.

9.11 Labour standards or environmental, social, or ethical considerations

Neither the Manager nor the Responsible Entity take into account labour standards or environmental, social or ethical considerations in determining the selection, retention or realisation of assets.

However, to the extent that the Manager or the Responsible Entity believe those matters may affect the value or performance of an investment in a horse, they may be considered.

Neither the Manager nor the Responsible Entity has a predetermined view as to what constitutes a labour standard or environmental, social, or ethical consideration, as these will be determined on a case-by-case basis.

9.12 Anti-money laundering laws

The Manager and/or the Responsible Entity may be required to collect certain customer identification information and verify that information in compliance with the *Anti-Money Laundering/Counter-Terrorism Financing Act 2006* (Cth) (**AML/CTF Act**) and *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007* (No. 1) (Cth) (**AML/CTF Rules**) before it can sell Units to Investors.

Customer identification information may include detailed 'know your customer' (**KYC**) information in relation to the Investor such as, for an individual Investor, name, address, and date of birth and for an Investor that is a business entity, details of directors and beneficial owners, and where the Investor is a trustee, details of the trust deed and beneficiaries. The Responsible Entity may require further KYC information such as information concerning business activities, structure, and source of funds of Investors and from time to time may require an Investor to provide updated or additional information.

The Manager and/or the Responsible Entity may refuse to accept a Transfer Form until there has been satisfactorily concluded a customer identification procedure in relation to the Investor.

A transfer process may be delayed or refused if the Manager and/or the Responsible Entity are concerned that the transaction may cause the Manager and/or the Responsible Entity to contravene the AML/CTF Act, the AML/CTF Rules or any laws relating to sanctions.

Under the Constitution, the Responsible Entity may also compulsorily redeem any Units if the Responsible Entity believes Units are held in circumstances which might result in a violation of an applicable law or regulation (including the AML/CTF Act, the AML/CTF Rules or any laws relating to sanctions) or if the Responsible Entity determines that the continued participation of the Unit Holder in the Scheme might cause the Responsible Entity or the Unit Holder to violate any law (including the AML/CTF Act, the AML/CTF Rules or any laws relating to sanctions).

Neither the Manager nor the Responsible Entity will incur any liability to the Investor if either of them undertake any of the actions above, including by refusing to delay or process a request or transaction.

9.13 Rules of Racing

The Rules of Racing are comprised of the Australian Rules of Racing published by Racing Australia Limited and PRA Rules published by each Principal Racing Authority to apply within their respective jurisdictions.

The Rules of Racing require that ALL Unit Holders be recorded as registered owners for the purposes of the rules. As registered owners you are bound by the Rules of Racing and MUST comply with the racing industry's fitness and propriety requirements, including the following Micro-ownership terms & conditions:

Micro-ownership terms & conditions



- (a) The Unit Holder is 18 years old or older.
- (b) The Unit Holder agrees to be bound by and comply with the Australian Rules of Racing published by Racing Australia (**RA**) and the PRA Rules of the Principal Racing Authority (**PRA**) and Racing Integrity Body (**RIB**) (where applicable) in whose State or Territory they reside or in which the horse shall be domiciled, trained, or raced (as amended from time to time).
- (c) Without limiting any of the rules and regulations referred to in paragraph (b) above, the Unit Holder agrees to refrain from taking any step, or authorising any person to take any step, which may adversely affect the important role that RA, PRAs, RIBs and Race Clubs play in the administration, promotion and reporting of Thoroughbred racing and in the provision of racing materials.
- (d) The Unit Holder agrees they have notified RA if they have been, and undertakes to notify RA within 14 days if following registration/transfer of the horse they are:
 - (i) convicted of, or have a pending charge against them for, an indictable criminal offence or a criminal offence involving violence against a person or dishonest activity;
 - (ii) convicted under the Australian Rules of Racing, the PRA Rules, or the rules of any other racing authority of any code; or
 - (iii) convicted of, or have a pending charge against them for, an offence under any animal welfare/prevention of cruelty to animals' legislation.
- (e) The Unit Holder agrees to provide a National Police Certificate to RA/PRA/RIB if requested, provided RA/PRA/RIB has reasonable grounds for suspecting the Unit Holder may have been involved in the commission of a criminal offence.
- (f) The Unit Holder agrees to provide an identification document (e.g. licence, passport) to RA/PRA/RIB if requested, for the purposes of verifying the Unit Holder's identity.
- (g) The Unit Holder agrees they may be required by RA/PRA/RIB to relinquish their Unit(s) in the scheme (or their share/interest in any other horse) if convicted of or charged with an offence referred to in paragraph (d) above, or if RA/PRA/RIB

is unable to verify the Unit Holder's identity or considers that the Unit Holder is not a fit and proper person to be a member of the scheme.

- (h) The Unit Holder agrees that they may be subject to penalty for providing any false or misleading information or failing to disclose any information they are required to provide to RA/PRA/Stewards/RIB/Race Club.

By becoming a Unit Holder in the Scheme you agree to these terms and conditions.

9.14 Acquisition and management of horses

Every Horse referable to a Unit must meet the conditions of being a thoroughbred horse under the Rules of Racing and the Australian Stud Book.

Horse racing is entirely speculative. A Horse may require medical treatment, a colt may require gelding, or a Horse may need to be retired from racing at any point. Some of the risks of acquiring and holding a horse are set out in the 'horse-specific risks' of Section 6 (*What are the risks of investing in the Scheme?*). If any of these events occur during the life of a Horse, a supplementary PDS or a replacement PDS will not be issued. Information about Horses are available on the Manager's website at www.trl.net.

As the legal owner of a Horse, and, recognising that there are multiple Unit Holders in the Scheme, the Responsible Entity operates the Scheme in the best interests of all Unit Holders, recognising that the ability to control and make decisions pertaining to a Horse are determined largely by the percentage ownership interest in the Horse to which the Responsible Entity is entitled.

Each of the Manager and the Responsible Entity is committed to the welfare of all Horses, and as such aim to take into account the wellbeing of the Horse in all decisions in relation to a Horse.

9.15 Potential conflicts of interest

The Manager is not a 'related body corporate', or otherwise an 'associate', of the Responsible entity as those terms are defined in the Corporations Act.

Purchase of Horses from the Manager

A Horse, or an interest in the Horse, may be acquired by the Responsible Entity for the Scheme from the Manager, where the Manager is issued Units in exchange for the transfer of the Horse or the interest in the Horse.

It is the policy of the Responsible Entity that the acquisition of a Horse, or an interest in a Horse, by the Scheme from the Manager must be at the original acquisition price of the Horse (or interest in the Horse), without any mark-up by the Manager. The Manager is entitled to be reimbursed for all associated acquisition and holding costs and expenses incurred by the Manager between the time of acquisition of the Horse (or interest in the Horse) by the Manager and the acquisition of the Horse (or interest in the Horse) by the Scheme.

Furthermore, in respect of a Horse, if the Trainer is part of the decision to acquire a Horse the Trainer must warrant to the Manager that the Trainer has not received any incentive from the vendor(s) in respect of the purchase of the Horse and that no other conflicts of interest exist.

Interests of the Manager

The interests of the Manager and its officers and shareholders may not always be aligned with your interests. The Manager has various interests, including in its capacity as Unit Holder, the seller of Units under this PDS, and as investment manager of the Scheme.

You need to undertake your own inquiries, and conduct your own due diligence, about the merits of acquiring Units from the Manager and the transfer price offered by the Manager under this PDS.

Payments to related parties

Both the Responsible Entity and the Manager may have existing relationships with various other parties with whom they wish to procure services in relation to the Scheme and the horses. All such service agreements must be on competitive commercial terms and considered by both the Manager and the Responsible Entity to be in the best interests of the Scheme and the Horses.

Other potential conflicts of interest

The directors of the Responsible Entity may be remunerated from the Responsible Entity's own funds.

The Manager has made appropriate inquiries to ensure that the trainer(s), breeder(s) and the veterinarians for the Horses neither have, nor have had in the period of two years prior to the date of this PDS, any interest(s) in the Horses, other than the interests disclosed in this PDS.

9.16 Documents available from the Responsible Entity

Copies of the following documents are available from the Responsible Entity at no charge by contacting the Responsible Entity:

- (a) the Constitution; and
- (b) the Compliance Plan.

10 How to acquire Units

10.1 Transfer price

The transfer price for a Unit is \$260. This amount represents the initial issue price of \$200 per Unit paid by the Manager when it was issued the Unit by the Responsible Entity, plus an annual capital contribution of \$60 per Unit.

10.2 Transfer process

Before deciding to purchase a Unit, you should read this PDS in its entirety. This document may be updated or replaced from time-to-time, and you should ensure you read the current version before investing.

If you would like to purchase a Unit from the Manager you can do so via visiting www.trl.net or alternatively you will need to contact The Racing League Support Centre at help@trl.net. You will need to complete the Transfer Form online and provide all the information requested in the process.

As part of the KYC identification process, you may be asked to provide detailed information such as full name, address, and date of birth for an individual Investor, and details of directors and beneficial owners for an Investor that is a business entity, and details of the trust deed and beneficiaries for an Investor that is a trustee. The Manager and/or the Responsible Entity may require further KYC information such as information concerning business activities, structure, and source of funds of Investors and from time to time may require an Investor to provide updated or additional information.

You may also be required to complete all required questionnaires and disclosures, as required to comply with the Rules of Racing.

The Manager will lodge the Transfer Form with the Responsible Entity once it has received cleared funds from you for the Unit(s) you wish to buy and all required information and disclosures have been received or made.

You will become a Unit Holder when the Responsible Entity registers the transfer of Unit(s) from the Manager to you. By completing this transfer process, you consent to becoming a Unit Holder and once you become a Unit Holder you are taken to agree to be bound by the terms of the Constitution.

The Manager will notify you when the transfer process is complete.

10.3 Transfer requests may be rejected

The Manager is not required to sell any Units to any person and may refuse to sell a Unit to any person without giving a reason for doing so. The Manager may also sell such number of Units to an Investor which is less than the number requested to be purchased by the Investor. Transfer requests may not be withdrawn without the consent of the Manager.

Under the Constitution, the Responsible Entity has a right to reject a transfer of Units, without giving a reason for doing so. Without limiting any other reason for refusing a transfer by the Responsible Entity, the Rules of Racing may prohibit an Investor from becoming a Unit Holder.

If a transfer request is rejected, neither the Manager nor the Responsible Entity is liable to compensate any Investor or recipient of this PDS for any costs or expenses incurred by any person in reviewing, investigating or analysing any information in relation to the offer under this PDS, the Scheme or otherwise.

Where a transfer request is rejected in whole or part, the Manager will not accept the transfer price. If the transfer price is received by the Manager, the Manager will return the transfer price to the Investor, without payment of interest or any other return.

11 Glossary

In this PDS, the following terms have the following meaning unless the context otherwise requires:

Term	Meaning
\$ or A\$	Australian dollars.
AFSL	Australian financial services licence issued by ASIC under the Corporations Act.
ARR	the Australian Rules of Racing including the Trainer and Owner Reforms Rules.
ARSN	Australian Registered Scheme Number.
ASIC	Australian Securities and Investments Commission.
Business Day	a day that is not a Saturday, Sunday, bank holiday or public holiday in Sydney, Australia.
Compliance Plan	the compliance plan of the Scheme, as amended or replaced from time to time.
Constitution	the constitution of the Scheme, as amended from time to time.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Horse	a horse (or interest in a horse) that is held by the Scheme.
Investor, you, your	a Unit Holder, or a purchaser of a Unit, or a prospective purchaser of a Unit, or a former Unit Holder, as the context requires.
KYC	'know your customer' requirements under the AML/CTF Act and subordinate legislation.
Manager, we, us, our	The Racing League Pty Ltd (ABN 29 641 198 790).
Management Agreement	the management agreement entered into between the Manager and the Responsible Entity.
Net Prizemoney	in respect of a Horse, the balance of Prizemoney paid to the owner(s) of the Horse after deductions by Principal Racing Authorities as described under the heading 'Mandatory deductions to the Principal Racing Authorities' in Section 7.4 (<i>Additional explanation of fees and costs</i>).
Net Sale Proceeds	in respect of a Horse, the balance of proceeds received by the Scheme from the sale of the Horse or interest(s) in the Horse, less the sale entry fee, commission, and other selling costs.

Term	Meaning
PDS	this document.
PRA Rules	the Local Rules, regulations, by-laws, policies and conditions of a Principal Racing Authority.
Principal Racing Authority, PRA	a body that has control and general supervision of racing within a State of Territory as set out in the Australian Rules of Racing.
Prizemoney	prize money to which the owner(s) of a horse would be entitled to receive as a result of winning or being placed in a race, including a bonus.
Racing Manager	the person appointed as the manager of the horses in accordance with the Rules of Racing.
Responsible Entity	Sire Custodians Ltd (ABN 45 005 088 371).
Rules of Racing	the ARR and the PRA Rules applying in the relevant jurisdiction.
Scheme	the trust named 'The Racing League 2020 - Team Husslers' (ARSN 643 759 531), established by the Constitution.
TFN	Tax File Number.
Training Agreement and Fees Notice	the Training Agreement and Fees Notice provided to the Manager by the relevant horse trainer.
Trainer	a trainer of a Horse.
Transfer Form	the unit transfer form (which may be in electronic form) by which an Investor may acquire Units from the Manager.
Unit	an interest in the Scheme, with the rights, obligations and restrictions attaching to it as set out in the Constitution.
Unit Holder	a person whose name is entered in the register of members of the Scheme as holding a Unit at the relevant time.

12 Corporate directory

Manager

The Racing League Pty Ltd (ABN 29 641 198 790)

AFS Representative Number: 001283358

Address: c/o Total Sports & Entertainment, Level 2, 360 Pacific Highway, Crows Nest, New South Wales, 2065

Telephone 1300 771 913

Responsible Entity

Sire Custodians Ltd (ABN 45 005 088 371)

AFSL number 223671

Address: Suite 203, Level 2, 66 Berry Street, North Sydney, New South Wales, 2060

Telephone: +61 2 9235 2500