
MyRacehorse No 1 Product Disclosure Statement

Scheme

Name: MyRacehorse No 1

ARSN: 646 771 262

Class of Units offered under this PDS: AT Class

Horse: "Unnamed" Bay Filly by Capitalist (AUS) from Miss Anabanana (AUS)

Responsible Entity

Sire Custodians Ltd

ABN 45 005 088 371

AFSL 223671

Manager

MyRacehorse Pty Ltd

ABN 53 643 461 590

AFS Representative Number 001284902

You should read this PDS carefully before deciding to invest.

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 investing in MyRacehorse No 1 (ARSN 646 771 262) (**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?*] of this PDS and the tax implications in Section 8 (*Taxation*) of this PDS 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

This document is a Product Disclosure Statement (**PDS**) for the purposes of Part 7.9 of the Corporations Act and has been issued by Sire Custodians Ltd (ABN 45 005 088 371, AFSL 223671) (**Responsible Entity, we, us, our**) as the responsible entity of the Scheme.

Date

This PDS was prepared in consultation with the Manager in accordance with the Corporations Act. This PDS is dated 10 May, 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, and has been prepared as general information only without consideration for your particular investment objectives, financial circumstances, or particular needs. It is not intended to be a recommendation by the Responsible Entity, Manager, or any of their officers, employees, agents, or affiliates to invest in the Scheme. It is important that you read this PDS in full before deciding whether to invest in the Scheme and take into consideration your investment objectives, financial situation and 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?*] of this PDS 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 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*] of this PDS and obtain your own professional taxation advice prior to deciding whether to invest in this offer for Units in the Scheme.

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 in Section 6 [*What are the risks of investing in the Scheme?*] of this PDS). 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 invest in the Scheme. 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 other previous communications in connection with the offer under this PDS. 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 in the Scheme are offered and issued by the Responsible Entity on the terms and conditions 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 will be made available for inspection at the registered office of the Responsible Entity within normal trading hours.

Electronic PDS

An electronic copy of this PDS may be viewed online by Unit Holders in Australia at <https://myracehorse.com/app/offering/15561>. 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.

A paper form of this PDS can be obtained, free of charge, by contacting Sire Custodians Ltd, Suite 203, Level 2, 66 Street, North Sydney, NSW, 2060.

Applications for Units in the Scheme will only be considered if applied for via the online Application Form available at <https://myracehorse.com/app/offering/15561>.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is accompanied by this PDS in its paper form or the complete and unaltered electronic form.

Overseas Unit Holders

The offer 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 has been prepared to comply with the requirements of Australian law. 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 the offer of Units described in this PDS.

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 such restrictions may constitute a violation of applicable securities laws.

Any person subscribing for Units in the Scheme shall by virtue of such subscription 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 Units in the Scheme.

Other than as permitted by law, investments in the Scheme will only be accepted following receipt of a properly completed Application 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 return of a duly completed Application 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.

Applications may be rejected

The Responsible Entity reserves the right to evaluate any applications or subscriptions to acquire Units and to reject any of all of them (in whole or in part), without giving reasons for rejection. The Responsible Entity is not liable to compensate any Unit Holder 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.

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 on the Manager's website <https://myracehorse.com/app/offering/15561> and the Responsible Entity will provide a copy of the updated information free of charge to any eligible Unit Holder who requests a copy by contacting Sire Custodians Ltd, Suite 203, Level 2, 66 Berry Street, North Sydney, NSW, 2060.

In accordance with its obligations under the Corporations Act, the Responsible Entity may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. Alternatively, the Responsible Entity may replace this PDS in respect of the offer of Units described in this PDS. You should read any supplementary disclosures made in conjunction with this PDS, or 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.

Cooling-off period

Cooling-off rights may apply to an application for Units. Please see Section 10.7 [*Cooling off*] of this PDS for more information.

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 12 [*Glossary*] of this PDS.

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 Units in the Scheme 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 Responsible Entity in connection with the offer for Units in the Scheme. 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 advisory@sirecustodians.com.au.

MyRacehorse No 1

Product Disclosure Statement

Contents

1	Overview of the structure and operations of the Scheme	1
1.1	Overview	1
1.2	Structure of Scheme	1
1.3	Offer and acquisition process	2
1.4	The Responsible Entity	3
1.5	The Manager	3
1.6	Prize money	3
1.7	Scheme registration and this PDS	3
2	Key features of the Scheme	4
3	How the Scheme works	11
3.1	Becoming a Unit Holder in the Scheme	11
3.2	What you receive when you make an investment	11
3.3	Details of the Horse	11
3.4	Trainer	12
3.5	What happens if the Trainer is unavailable?	13
3.6	Interests of the Responsible Entity, the Manager, their directors, and experts	13
3.7	Insurance	13
3.8	How to keep track of your investment	13
3.9	Code of conduct	13
4	Manager and other third-party providers	13
4.1	Manager	13
4.2	Directors of the Manager	14
5	What are the benefits of investing in the Scheme?	14
6	What are the risks of investing in the Scheme?	16
7	Fees and other costs	24
7.1	Consumer Advisory Warning	24
7.2	Fees and other costs	25
7.3	Example of annual fees and costs for the Scheme	27
7.4	Additional explanation of fees and costs	28
7.5	Worked example of amounts payable upon application	34
7.6	GST	35
8	Commonly asked questions	35
9	Taxation	37
9.1	Income tax	38
9.2	Withholding tax	38
9.3	Capital Gains Tax	38
10	Additional information	38
10.1	Constitution of the Scheme	38
10.2	Compliance Committee	39
10.3	Compliance Plan	39

10.4	Material contracts	39
10.5	Keeping you informed	40
10.6	Continuous disclosure	40
10.7	Cooling off	40
10.8	Complaints	41
10.9	Consents	41
10.10	Directors' authorisation	42
10.11	Labour standards or environmental, social, or ethical considerations	42
10.12	Anti-money laundering laws	43
10.13	Rules of Racing	43
10.14	Potential conflicts of interest	44
10.15	Documents available from the Responsible Entity	44
11	How to apply	45
11.1	Cost of the Units	45
11.2	Application process	45
12	Glossary	45
13	Corporate directory	48

MyRacehorse No 1

Product Disclosure Statement

1 Overview of the structure and operations of the Scheme

1.1 Overview

The Scheme is designed to afford Investors an opportunity to participate, through the Scheme, in the ownership, racing and/or breeding of quality thoroughbred horses trained by a well-known, and competent trainers. By holding Units in the Scheme, Investors may spread both the costs and inherent risks associated with the ownership of, racing and/or breeding of a thoroughbred racehorse.

1.2 Structure of Scheme

The Scheme is structured as an unlisted unit trust that is registered with ASIC. 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 accepts money from different Investors which is pooled and collectively used to acquire a horse, or group of horses. Scheme levies are used to meet the costs of the operation of the Scheme, and horse-related levies are used to uphold and manage the horse(s) referable to the relevant Class.

The beneficial interest in the Scheme's net assets is divided into Units. Each Unit confers on the holder of a Unit (**Unit Holder**) an undivided interest in the net assets of the Scheme, although individual assets of the Scheme (i.e. interests in the horses) are referable to a specific Class and all Scheme expenses are (where appropriate) allocated to a specific Class. 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 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.

The rights attached to each Unit of a Class are proportional to the total number of Units issued in the Class, and the total number of Units issued in relation to the Class will correlate to a specified beneficial ownership interest(s) in the horse(s) referable to that Class. For example, the Scheme may hold a 10% ownership interest in a horse and issue 1,000 interests in the Class with each Unit in the Class representing a 0.01% share in the economic rights to the horse.

The Responsible Entity will issue a new Class each time it proposes to invest in a suitable horse, or group of horses, for the Scheme. The Unit Holders of a particular Class:

- (a) will benefit from racing and/or breeding the horse referable to that Class, including being entitled to receive a proportion of any prize money earned from racing the horse, any Net Proceeds which may be realised if or when it is sold and any Breeding Proceeds which may be earned from breeding the horse(s); and
- (b) will be responsible for all of the fees and expenses:
 - (i) associated with acquiring, maintaining, training, and racing the horse referable to that Class; and
 - (ii) associated with operating the Scheme that the Responsible Entity determines are referable to that Class,

commensurate with the Scheme's interest in the particular horse(s) where the Scheme and another person(s) are co-owners of the horse(s).

Each Class, however, does not have segregated assets and liabilities, and does not constitute a separate trust. Unit Holders in different Classes will be treated fairly.

All horses held by the Scheme are held in accordance with the Rules of Racing. The Rules of Racing govern ownership and other decisions in relation to the horse. The Manager's ability to manage and influence decisions relating to the horse(s) will be limited to the extent of the relevant ownership percentage held by the Responsible Entity in accordance with the Rules of Racing.

1.3 Offer and acquisition process

The Responsible Entity intends to issue a new Class of Units for each horse or group of horses acquired for the Scheme. The Responsible Entity intends to issue a new PDS for each new class of Units.

The Class of Units on offer under this PDS are AT Class Units. This PDS explains the benefits and risks of acquiring AT Class Units and provides information to Investors about special features of investing in the AT Class Units, including details of the Horse to be acquired by the Scheme that is referable to that Class, the Trainer, the Acquisition Price, and the fees and costs associated with that Class.

The Responsible Entity will seek investment of the Minimum Subscription Amount in the AT Class Units.

To help achieve the Minimum Subscription Amount, MyRacehorse Pty Ltd intends to subscribe for Units on its own account and for its own purposes where the aggregate amount raised from other Investors does not achieve the Minimum Subscription Amount.

This PDS also explains what will happen if the Minimum Subscription Amount is reached, including that Investors will then be issued with AT Class Units and the Responsible Entity will acquire the legal and beneficial title to the Horse from the Manager.

The subscription money will comprise the subscription price for AT Class Units, the initial Scheme Levy and initial Horse-Related Levy. The initial Scheme Levy and initial Horse-Related Levy will be used to meet the fees and costs of operating the Scheme associated with the AT Class Units, including Horse-related fees and costs.

Currently, it is not the Responsible Entity's intention to levy any further Scheme Levies or Horse-Related Levies on Unit Holders (in addition to the initial Scheme Levy and initial Horse-Related Levy).

If there is a shortfall, the Manager may pay the fees and costs of operating the Scheme or Horse-related fees and costs from its own resources, with the right to be reimbursed by the Responsible Entity from any future Net Prize Money earned by, or Net Proceeds received from the sale of, or Breeding Proceeds received from the breeding of, the Horse.

The Responsible Entity may also issue additional AT Class Units to raise additional capital to pay extraordinary expenses such as a one-off payment to secure a slot in The Everest, late nomination to The Golden Slipper, or to pay insurance premiums if the value of the Horse were to increase significantly because of its success on the racetrack. If additional AT Class Units are issued, existing Unit Holders will have a first right of refusal to acquire those Units in the same proportions as their current Unit holdings at that time.

If the Scheme continues to own the Horse (or an interest in it) beyond 30 June 2026, the Responsible Entity may pay out of any Net Prize Money earned by the Horse, or the Net Proceeds received from any sale of the Horse (or any part of the Scheme's interest in it) to which the AT Class Unit Holders are otherwise entitled to receive as distributions, amounts sufficient to pay ALL of the Scheme's operating costs and expenses, including Horse-related costs and expenses, for that period attributable to the AT Class Units. If Scheme assets referable to the AT Class are insufficient to pay such costs and expenses, the Responsible Entity may raise further Scheme Levies and/or Horse-Related Levies for the purposes of paying for such costs and expenses.

Please see Section 7 [*Fees and other costs*] of this PDS for information about the fees and costs which a Unit Holder will be required to pay in connection with the ownership of Units.

This PDS explains the process of acquiring the Horse and what happens after that.

1.4 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.

1.5 The Manager

The Responsible Entity has engaged MyRacehorse Pty Ltd (ABN 53 643 461 590) as the manager of the Scheme. 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 to the Scheme.

The Manager operates as an authorised representative (AFS Representative Number: 001284902) of the Responsible Entity in relation to the financial services that it provides in connection with the Scheme.

The Manager is unrelated to the Responsible Entity.

1.6 Prize money

The primary purpose of the Scheme is to acquire and race suitable horses in an effort to win prize money and enhance their residual value.

The horses are chosen by the Manager. However, neither the Manager nor the Responsible Entity makes any representation or gives any warranty that the horses will win any races or prize money or have any significant residual value.

1.7 Scheme registration and this PDS

The Scheme is a managed investment scheme that is registered with ASIC. The Scheme was registered with ASIC on 6 January 2021.

The Constitution and the Compliance Plan, which together detail how the Scheme will be operated and monitored, have been lodged with ASIC. Further information about the Constitution and Compliance Plan are set out in Section 10.1 [*Constitution of the Scheme*] and Section 10.2 [*Compliance Plan*] respectively.

This PDS was prepared by the Responsible Entity. It has not (and is not required to be) lodged with ASIC. The Responsible Entity 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:
<https://myracehorse.com/app/offering/15561>.

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?*] of this PDS.

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

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
Manager of the Scheme	
What is the Manager's role?	<p>The Manager is responsible for:</p> <ol style="list-style-type: none">1 Communication All communications:<ol style="list-style-type: none">(1) with the Unit Holders of each Class of Units in the Scheme;(2) with the trainer of the horse(s) referable to each particular Class; and(3) with all third parties who provide services in relation to the horse referable to each particular Class.Important Notice: Unit Holders are not authorised to contact the trainer directly.2 Horse acquisition Identifying and acquiring suitable horse(s) for the Scheme.3 Horse management The Responsible Entity, as a holder of legal title to horse(s), 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 underlying horse(s). For example, ownership of a 50% share in a horse will afford the Scheme more rights and control

Feature	Description
	<p>over day-to-day decisions pertaining to the horse than a 5% ownership share would.</p> <p>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 the horse or horses of which the Scheme has a major ownership right, it will authorise the Manager to do the following:</p> <ol style="list-style-type: none"> (1) facilitating the naming of each horse that is unnamed at the time of acquisition and in which the Scheme holds a majority interest; (2) arranging for the appointed trainer of each horse to take possession and day-to-day control of the horse for the purpose of: <ol style="list-style-type: none"> (a) training and racing it to best advantage; (b) caring for and maintaining it, including (without limitation) providing stabling and ancillary facilities, equipment and gear, feed, and supplements; (c) providing, or as the agent of the Manager procuring, agistment and pre-training; and (d) 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; (3) determining in consultation with the designated trainer of the horse its racing program and also the jockey who will ride it in each of its races; (4) determining when the horse is sold and the most suitable method of sale; and (5) ensuring 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 retrained, and re-homed. <p>4 Arranging insurance cover</p> <p>Where relevant, arranging and obtaining (for the Responsible Entity's approval) insurance for the horse(s) - both mortality insurance cover and public liability insurance - 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 horse, vote on required matters such as naming,</p>

Feature	Description
	<p>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>
How do I access your services?	Go to https://myracehorse.com/app/offering/15561 or contact ausupport@MyRacehorse.com .
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. More information can be found in Section 3.9 [<i>Code of conduct</i>], Section 6 [<i>What are the risks of investing in the Scheme?</i>] and Section 10.13 [<i>Rules of Racing</i>].
What is the subscription price?	The subscription price for AT Class Units is \$1.00 per AT Class Unit.
How much can I invest?	<p>The Minimum Investment Amount that an Investor must subscribe for is \$130. The number of AT Class Units that need to be issued to meet this Minimum Investment Amount is 130.</p> <p>Applications can only be made in multiples of the Minimum Investment Amount. This means that an Investor's subscription amount under this offer must be \$130 or a multiple of \$130.</p> <p>There is no limit to the number of AT Class Units an Investor can apply for in multiples of 130.</p> <p>Within each Class, the total number of Units available for acquisition are capped based on the ownership percentage of the nominated horse(s) and the funds required to purchase the horse(s) and to fund the initial amounts required for the Scheme and the upkeep of the horse(s). See below for more information on the Maximum Subscription Amount.</p> <p>The Subscription Amount is payable by each Investor when applying for the Units.</p>
How long can I invest for?	<p>An Investor is buying a AT Class Unit for the period of the racing career of the Horse. The expected investment period is 2-4 years, although the Responsible Entity intends that the investment period will end on 30 June 2026 (but may choose to extend it). There is no certainty as to the period during which the Horse will continue racing.</p> <p>If a Horse is successful it may race for a longer period and the Responsible Entity may determine that the Scheme should continue to hold the Horse. If it is unsuccessful it may race for a shorter period. The Horse (or any part of the Scheme's interest in it) may also be sold at any time retired to stud, if the Manager considers this to be in</p>

Feature	Description
	the best interests of the AT Class Unit Holders (with all decisions relating to the management or disposal of the Horse being subject to the percentage ownership interest the Responsible Entity has in the Horse).
When is my Subscription Amount due and what are these used for?	<p>Subscription Amounts are required to be paid on application to enter the Scheme and comprise the subscription price for AT Class Units, the initial Scheme Levy and initial Horse-Related Levy. The initial Scheme Levy is charged to meet the initial costs of establishing and operating the Scheme and/or the AT Class Units or the assets referable to the AT Class, and the initial Horse-Related Levy is charged to meet the costs and expenses associated with caring for, training, racing and/or breeding the Horse.</p> <p>The money raised will be applied to acquire the Horse referable to that Class from the Manager. Any excess Subscription Amounts are retained in the Scheme by the Responsible Entity on behalf of the Investor and may be used to meet fees and expenses associated with operating the Scheme and racing the Horse.</p>
Are there risks in investing?	Yes, there are risks which may lead you to lose part 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>) of this PDS.
What is the Minimum Subscription Amount?	<p>The minimum number of AT Class Units to be issued under this offer is 162,760 for a Minimum Subscription Amount of \$162,760.</p> <p>If the Minimum Subscription Amount is not reached on or before the Offer Closing Date, MyRacehorse Pty Ltd intends to subscribe for Units on its own account and for its own purposes.</p>
What is the Maximum Subscription Amount?	<p>The maximum number of AT Class Units to be issued under this offer is 433,290 for a Maximum Subscription Amount of \$433,333.</p> <p>The Responsible Entity does not intend to accept additional applications once the Maximum Subscription Amount has been raised and may reject in whole or in part any application for AT Class Units to ensure that the amount raised under this offer does not exceed the Maximum Subscription Amount.</p> <p>If there is an over-subscription, the Responsible Entity may in its discretion scale back applications or prioritise applications that have been received earlier in time.</p> <p>More information can be found in Section 11.2 [<i>Application process</i>] of this PDS.</p>
How do I withdraw funds?	The Unit Holders do not have a right to require the Responsible Entity to redeem Units or to buy them back. It is not expected that the Responsible Entity will accept any redemption applications during the investment period (whether the investment period ends on 30 June 2026 or continues beyond that date), and therefore you should

Feature	Description
	<p>consider that you cannot withdraw your investment during the investment period.</p> <p>However, Unit Holders may transfer Units to another person, with the approval of the Responsible Entity at its discretion. Transfers will not be effective until registered by or on behalf of the Responsible Entity. [The Responsible Entity may charge the Unit Holder seeking to transfer the Units a fee of \$5 (plus GST) to process and record the transfer.]</p> <p>Transfers are subject to the same KYC provisions as set out in Section 10.12 (<i>Anti-money laundering laws</i>).</p>

Distributions

What return do I receive for my investment?	<p>The objective of the Scheme is to generate income in the form of any prize money or bonuses earned by the Horse. As the prospect of winning races and prize money is entirely speculative, no income projections are made.</p> <p>More information can be found out in Section 5 [<i>What are the benefits of investing in the Scheme?</i>] of this PDS.</p>
When do I receive payments?	<p>The Constitution and the nature of the Scheme contemplate that Scheme income will be distributed annually, although the Responsible Entity may distribute more frequently if the amount of Scheme income available for distribution warrants it, subject always to the right of the Responsible Entity to retain money on account of costs and expenses related to the Scheme the Responsible Entity's right to determine the distributable income of the Scheme.</p>
How are my payments calculated?	<p>The distributable income of the Scheme referable to AT Class Units will be distributed proportionately to the AT Class Unit Holders in the same proportion as the number of Units held bears to the total number of Units of the AT Class on issue at the relevant time.</p>
How do I receive payments?	<p>Distributions will be paid by electronic funds transfer to each Investor's nominated bank account or, if requested by the Investor, a bank account held and administered by the Responsible Entity as bare trustee for the Investor. Where funds are held for Investors under the bare trust arrangement, you should note the following about these arrangements:</p> <ul style="list-style-type: none"> ■ the Responsible Entity holds money in the account as bare trustee for each relevant Investor and not as responsible entity and trustee for the Scheme; ■ the bank account will be a non-interest bearing account; ■ the Responsible Entity will disburse those moneys to the relevant Investor on direction from that person; ■ the bank account, or an Investor's money held in it, is not a managed investment scheme or a financial product;

Feature	Description
	<ul style="list-style-type: none"> the bank account may have similar moneys contributed by current or former holders of interests in other managed investment schemes operated by the Responsible Entity; the Responsible Entity will not charge or deduct a fee for administering the Distributions Account and any fees or charges applicable in relation to opening or maintaining the bank account (such as any fees or charges levied by the financial institution) will be borne personally by the Responsible Entity; and if you request your money to be transferred to your nominated Australian bank/credit union account, any applicable fees or charges levied by any financial institution or financial intermediary relating to your transfer will be deducted from your transfer amount.

Fees and charges

What fees and charges do I pay?	<p>On application for AT Class Units, a Unit Holder is required to pay to the Responsible Entity the following fees and charges that are referable to AT Class Units:</p> <ul style="list-style-type: none"> the initial Scheme Levy, which the Responsible Entity and Manager considers to be sufficient to cover the Scheme's operating costs to 30 June 2026; and the initial Horse-Related Levy, which the Responsible Entity and Manager considers to be sufficient to cover Horse-related costs, including those associated with maintaining, training, and racing the Horse for the period ending 30 June 2026. These estimated Horse-related Levies for this period are adjusted to reflect those Horse-related costs and expenses that will be payable by the Manager out of its own resources, subject to the Manager's right to offset amounts paid against any Net Prize Money earned by, or Net Proceeds received from the sale of, or Breeding Proceeds received from the breeding of the Horse. <p>Under the Constitution, the Responsible Entity has a right to levy further Scheme Levies and Horse-Related Levies on Unit Holders, and also to raise additional capital by the issue of further AT Class Units, although the Responsible Entity does not intend to impose any Scheme levies other than the initial Scheme Levy and initial Horse-Related Levy on the AT Class Unit Holders for the period to 30 June 2026.</p> <p>Where the initial Horse-Related Levy and initial Scheme Levy included in the Subscription Amounts are not sufficient to meet the costs and expenses associated with the Scheme or Horse, these may be paid by the Manager, who has a right to be reimbursed by the Responsible Entity from Scheme assets referable to the AT Class (ie any future Net Prize Money earned by, or Net Proceeds received from the sale of, or Breeding Proceeds received from the breeding of, the Horse (or any part of the Scheme's interest in it).</p>
---------------------------------	---

Feature	Description
	<p>Alternatively, where the initial levies are not sufficient to meet the costs and expenses of the Scheme or Horse, the Responsible Entity may levy further Scheme Levies or Horse-Related Levies. For example, the Responsible Entity may issue further Scheme Levies or Horse-Related Levies for the purposes of paying for extraordinary expenses, such as those associated with arranging and holding a meeting of Unit Holders (if required), a one-off payment to secure a slot in The Everest, late nomination to The Golden Slipper, or to pay insurance premiums if the value of the Horse were to increase significantly because of its success on the racetrack.</p> <p>Failure to pay levies could result in the imposition of late fees, interest and/or forfeiture of your Interests or a part thereof.</p> <p>If the Scheme continues to own the Horse (or an interest in it) beyond 30 June 2026, the Responsible Entity may pay out of the Net Prize Money earned by, or the Net Proceeds received from the sale of, or Breeding Proceeds received from the breeding of, the Horse (or any part of the Scheme's interest in it) to which the AT Class Unit Holders are otherwise entitled to receive as distributions, amounts sufficient to pay all of the Scheme's operating costs and expenses and Horse-related costs and expenses, for that period attributable to the AT Class Units.</p> <p>There is no separate entry fee. There is no exit fee payable on termination of the Scheme.</p> <p>Refer to Section 7 [<i>Fees and other costs</i>] of this PDS for more information about the initial Scheme Levy and initial Horse-Related Levy.</p>
What fees and other costs are payable in respect of the Scheme?	<p>The Responsible Entity is entitled to a management fee. The Manager and Trainer are entitled to performance fees. There is no separate management fee payable to the Manager.</p> <p>Refer to Section 7 [<i>Fees and other costs</i>] of this PDS for more information about the fees and costs (including how costs are recovered) in relation to the Scheme.</p> <p>Fees and costs are generally paid out of the initial Scheme Levy and the initial Horse-Related Levy. Where the initial levies are not sufficient to meet the costs and expenses of the Scheme or Horse, the Responsible Entity may levy further Scheme Levies or Horse-Related Levies. Failure to pay levies could result in the imposition of late fees, interest and/or forfeiture of your Units or a part thereof.</p> <p>The Manager may also pay such fees and costs out of its own resources, and be reimbursed by the Responsible Entity from from Scheme assets referable to the AT Class - that is, any future Net Prize Money earned by, or Net Proceeds received from the sale of, or Breeding Proceeds received from the breeding of, the Horse (or any part of the Scheme's interest in it).</p>

Sale of Horse

Feature	Description
What happens at the end of the Horse's racing career?	<p>The Manager will, in accordance with the level of authority provided by its legal ownership entitlements under the relevant co-owners' agreement, decide whether to sell a horse, retire a horse or rehome a horse. For example:</p> <ul style="list-style-type: none"> ▪ if the Horse (or the Scheme's interest in it) is of significant commercial value, it may be sold at the conclusion of the Horse's racing career by such means as the Manager considers appropriate; or ▪ when the Horse is an entire (a male horse that has not been gelded) with residual value as a stallion, the Manager may elect to retain it, or an interest in it, after the Horse is retired to stud. <p>All proceeds of sale, after payment of any costs and liabilities, will be distributed proportionately to the AT Class Unit Holders in the same proportion as the number of Units held bears to the total number of Units of that Class.</p> <p>More information can be found out in Section 5 [<i>What are the benefits of investing in the Scheme?</i>] of this PDS.</p>

3 How the Scheme works

3.1 Becoming a Unit Holder in the Scheme

Applications to become a Unit Holder are made online or via ausupport@MyRacehorse.com.

If you decide to invest, read this PDS and fill in the Application Form. You will be required to enter specific personal information to confirm your identity, as well as payment information.

Investors should note that the Responsible Entity has the right to accept or reject any application for Units, whether in whole or in part, in its absolute discretion and has no obligation to give any reason if it rejects an application.

3.2 What you receive when you make an investment

Upon the Minimum Subscription Amount for the AT Class Units being achieved by the Offer Closing Date (being one month from the date of this PDS, or such earlier date as may be determined by the Responsible Entity), the Responsible Entity will apply the Subscription Amounts towards paying to the Manager the Acquisition Price. If the Maximum Subscription Amount is reached, the Responsible Entity will acquire a 50% interest in the legal and beneficial title to the Horse for the Scheme. The beneficial interest in the Horse is divided into the AT Class Units under the terms of the Constitution.

3.3 Details of the Horse

Details of the Horse are as follows:

Name	UNNAMED (AUS)
Colour	Bay
Sex & date of birth	Filly foaled 22 September 2021
Sire	CAPITALIST (AUS)
Dam	MISS ANABANANA (AUS)
Life number	AUS01251384
Microchip number	985100012208945
Name of breeder (as recorded with the Australian Stud Book)	Hall of Fame Bloodstock Pty Ltd, NSW

Details of the seller are as follows:

- (a) the seller is MyRacehorse Pty Ltd; and
- (b) the Acquisition Price is \$239,977 [comprising the cost price of the Horse of \$147,027, and the Bloodstock fee of \$7,150* and Management, Operational and Marketing fees of \$85,800* payable to the Manager] (rounded*).

MyRacehorse Pty Ltd [as to 50%] and trainer Simon Miller Racing Pty Ltd (ABN 28 131 937 178) [as to 50%] acquired the whole of the Horse at Auction in April 2023, in the case of MyRacehorse Pty Ltd for the purpose of on selling its interest to the Scheme.

If the Maximum Subscription Amount is achieved, the Responsible Entity will acquire the full 50% interest from MyRacehorse Pty Ltd for the Acquisition Price.

If the Maximum Subscription Amount is not achieved (but the Minimum Subscription Amount is achieved), then the percentage interest in the Horse to be acquired by the Responsible Entity on behalf of the Scheme (and the Acquisition Price payable by the Responsible Entity) will be decreased proportionately to the total Subscription Amounts raised, down to and including the Minimum Subscription Amount. Some fees and costs set out in Section 7 [*Fees and other costs*] of this PDS will also decrease by the same proportion.

Prior to agreeing to acquire the interest, the Manager retained a reputable equine veterinarian (**Veterinarians**), to examine the Horse, who subsequently provided a report evidencing that they considered it to be in good physical condition and suitable for purchase as a prospective racehorse.

The Manager has appointed the Trainer and will procure the services of other third parties to care for, train and race the Horse to best advantage for the benefit of the Unit Holders.

3.4 Trainer

Simon Miller Racing Pty Ltd (ABN 28 131 937 178), by its licensed trainer Simon Miller, has agreed to train the Horse on behalf of the owners which will include the Scheme.

The Trainer's training complex is at Ascot, Western Australia..

The Manager and the Trainer have agreed that the Trainer will provide training and ancillary services in accordance with the Trainer's Training Agreement and Fees Notice.

3.5 What happens if the Trainer is unavailable?

The Manager and the Trainer have agreed that the Trainer will train the Horse for the Scheme 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 Horse while it is owned by the Scheme, then the Manager the owners will appoint a new trainer of comparable profile.

3.6 Interests of the Responsible Entity, the Manager, their directors, and experts

The Responsible Entity and the Manager (including their directors and associated entities) neither have, nor have had in the period of 2 years prior to the date of this PDS, any interest in relation to the Horse, including its sire and dam, other than the interests disclosed in this PDS.

The Responsible Entity has made appropriate inquiries to ensure that the Trainer and the Veterinarian neither have, nor have had in the period of 2 years prior to the date of this PDS, any interest in the Horse, including its sire and dam, other than the interests disclosed in this PDS.

3.7 Insurance

The Responsible Entity will insure the Horse initially for the Acquisition Price against injuries and all risks of mortality. The Horse will also be insured for the minimum available lifesaving procedures.

The amount payable of the insurance premium for the period ending on 30 June 2026 has been included in the initial Horse-Related Levy.

3.8 How to keep track of your investment

Using your email address as your unique identifier on the MyRacehorse digital platform the Investor will receive regular reports from the Manager and the Trainer (via the Manager) in the form of video, photographs, audio, or text.

3.9 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 Rules of Racing, including any local rules of the Principal Racing Authority where the Horse is trained and likely to race, and are expected to act in the best interest of racing, the Horse and all parties associated with the Scheme. For more information see Section 10.13 [*Rules of Racing*] of this PDS.

A copy of the Australian Rules of Racing can be obtained from the Racing Australia Limited website: <http://www.racingaustralia.horse/>.

4 Manager and other third-party providers

4.1 Manager

MyRacehorse Pty Ltd (ABN 53 643 461 590) is the Manager responsible for the day to day running of the Scheme.

The Manager operates as an authorised representative (AFS Representative Number 001284902) of the Responsible Entity in relation to the financial services that it provides in connection with the Scheme.

4.2 Directors of the Manager

The directors of the Manager are Michael Behrens, Michael Sidney Bigg and Benjamin Willis. A summary of the experience of each director is provided below, noting this is correct at the time of writing:

Michael Behrens has been Chief Executive Officer of the United States horse racing platform MyRacehorse, and Experiential Squared, Inc., for the past 3 plus years. Under his leadership MyRacehorse has acquired interests in more than 70 horses, including Kentucky Derby and Breeders' Cup Classic winner 'Authentic'. He has 20 plus years' experience in ecommerce, digital marketing, and ad tech.

Michael Bigg is a Brisbane-based lawyer who specializes in corporate advisory matters, capital raising, structuring transactions and company operations, trade practices, dealing with the ACCC, mergers, acquisitions and sales of businesses and companies, contract matters of all types, intellectual property protection, forward business, succession planning, and trusts law.

Benjamin Willis joined the company in March 2021 to lead the expansion of MyRacehorse into Australia, and was appointed managing director of MyRacehorse Australia in November 2022. He has over 15 years experience in advertising and marketing, and over 10 years experience in the horse racing industry.

5 What are the benefits of investing in the Scheme?

The Scheme gives Investors the opportunity to enjoy the following benefits. Investing in the Scheme is not without risk. It is important that as well as reading the benefits of investing set out below, you read and understand each of the risks set out in Section 6 [*What are the risks of investing in the Scheme?*] of this PDS.

Significant benefits	Description
Participation in horse racing	<p>An investment in the Scheme allows you to participate indirectly in the horse racing industry.</p> <p>The Scheme will be professionally managed on behalf of the Unit Holders. The Responsible Entity holds an interest in the Horse on behalf of the Unit Holders, and has appointed a Manager to manage the Horse and provide other services in relation to the Scheme.</p> <p>The Manager will work closely with the Trainer to ensure the Horse is exposed to high quality racing programs, jockeys, and other important career management decisions.</p> <p>Unit Holders of a Class will receive at least the same level of communication from the Trainer (via the Manager) of the Horse as the Trainer would provide directly to the owners of other horses.</p>

Significant benefits	Description
	<p>The Trainer is expected to provide video, voice, photographic or text updates on a regular basis to the MyRacehorse racing manager for distribution to the investors in the scheme. The Manager has a service level agreement with the Trainer and will be constantly monitoring the level of communication to Unit Holders.</p>
Sharing in prize money and other winnings	<p>All Net Prize Money earned by the Horse will be apportioned to the Owners, which includes the Scheme, in the same proportions as the interests held. The Scheme's proportion of Net Prize Money (subject always to the Responsible Entity's right to retain money to reimburse the Manager for any Horse-related costs paid from its own resources) will be distributed to the Unit Holders of the AT Class Units in the same proportion as the number of AT Class Units held bears to the total number of Units of the AT Class. If the Scheme continues beyond 30 June 2026, any Net Prize Money not otherwise distributed can be used to pay Scheme-related expenses attributable to the AT Class for that period.</p> <p>All prize money and other winnings will be subject to the Principal Racing Authority mandatory deductions, including but not limited to the trainer, jockey, and strapper fund collections. Refer to Section 7.4 <i>[Additional explanation of fees and costs]</i> of this PDS for more information about these mandatory deductions from prize money.</p>
Sharing in Breeding Proceeds	<p>Where the Horse is retired from racing and considered by the Manager to be suitable for breeding, the Horse may earn Breeding Proceeds.</p> <p>The Scheme's proportion of Breeding Proceeds will be distributed to the Unit Holders of the AT Class in the same proportion as the number of Units of that Class held bears to the total number of Interests of that Class on issue.</p>
Other ownership rights	<p>An investment in the Scheme will afford you the opportunity to experience other owners' benefits, subject to the terms of the applicable co-owners' agreement, including:</p> <ul style="list-style-type: none"> ▪ (Naming rights) the Unit Holders of the AT Class may be afforded the opportunity to make a nomination on the naming of the Horse referable to the AT Class 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

Significant benefits	Description
	<p>the Scheme acquires less than a majority interest in the Horse; and</p> <ul style="list-style-type: none"> ▪ (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 no more than two such tickets from the Scheme's proportion of the tickets for its own use and ballot the remaining tickets amongst the Unit Holders of the Class of Units to which the horse is referable intending to attend the race day and negotiate with various race clubs with respect to any additional benefits and access. Holders of AT Class Units should not expect tickets to be available given the Scheme's proposed percentage ownership of the Horse.
Capital proceeds	<p>If the Horse (or any part of the Scheme's interest in it) is of significant commercial value, it will be sold at the conclusion of the Horse's racing career by such means as the Manager considers is appropriate, except when it is an entire (a male horse that has not been gelded) with residual value as a stallion, in which case the Manager may elect to retain the Horse, or an interest in it, and continue the Scheme after the Horse is retired to stud.</p> <p>The Horse (or any part of the Scheme's interest in it) may also be sold at any time during its racing career, or while being used for breeding, if the Manager considers this to be in the best interests of the AT Class Unit Holders (with all decisions relating to the disposal of the Horse being subject to the percentage ownership interest the Responsible Entity has in the Horse).</p> <p>All Net Proceeds and all Breeding Proceeds will be distributed proportionately to the AT Class Unit Holders in the same proportions as the AT Class Units held bears to the total number of AT Class Units.</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 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 your investment in the Scheme will rise and fall in line with the changing value of the Horse. 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	<p>The value of the Units you hold can change rapidly due to changes in the performance and market conditions of the underlying assets of the Scheme, and you could lose the capital you invest.</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

Risk	Description
	<p>and consistent distributions to meet your financial commitments;</p> <ul style="list-style-type: none"> ■ 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	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).
Inflation	Your investment in the Scheme may not keep pace with inflation, which would reduce the future purchasing power of your money.
Force majeure	A force majeure is an unexpected event such as war, a criminal act, or a natural disaster which would result in one or more parties to a contract being unable to fulfil their obligations under the contract. A force majeure event could be significant enough to impact the business of the Scheme, the Responsible Entity or the Manager, and may cause Unit Holders to suffer higher than anticipated monetary loss.
Legal and regulatory	Changes in laws or their interpretation, including taxation and corporate regulatory laws, practice and policy could have a negative impact on your investment in the Scheme and changes in State or Federal Government policy may occur during the time that you are a Unit Holder.
Investment objective	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	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

Risk	Description
	<p>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"> (a) reliance on the skill and expertise of the Manager to acquire, manage, maintain, and market the Horse, as well as how these functions are conducted; (b) the way in which the Manager selected the Horse and then manages it for the Responsible Entity on behalf of the AT Class Unit Holders; and (c) changes in the personnel of the Manager which may reduce its skill level in managing the Horse.
Dependence on the third-party service providers	<p>The Manager will engage 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.</p>
Dependence on the payment of costs	<p>The cash flow required for the effective operation of the Scheme is dependent upon the initial Scheme Levy and initial Horse-Related Levy payable by Unit Holders being sufficient to pay the operating expenses of the Scheme, except for those operating expenses payable by the Manager with the right to offset and recover same from prize money or proceeds, or payable out of funds raised from the issue of additional Units, as described in Section 2 [<i>Key features of the Scheme</i>] of this PDS. The Constitution empowers the Responsible Entity to wind up the Scheme if it has inadequate funds.</p>
Lack of liquidity	<p>Your Units in the Scheme will be illiquid, and they are not traded on any market.</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.</p> <p>Depending on prevailing conditions it may be difficult for the Trustee to dispose of the Horse either prior to or at the end of the investment term in a timely manner or at an optimal sale price. This may affect the</p>

Risk	Description
	Responsible Entity's ability to return capital to Investors and may reduce the Unit value.
Asset nature	The lack of diversity in the nature of the assets of the Scheme may not suit your investment needs.
Potential conflicts of interest	The Manager may buy horse(s) directly as an owner and offer those ownership interests to the Scheme. The interests of the Manager and its officers and shareholders may not always be aligned with your interests. For more information, see Section 10.14 (<i>Potential conflicts of interests</i>).
Technology risk	The ownership experience has a high digital component. There is a risk that the technology platform used to deliver unique personal reports from the Trainer, fails.
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 (who may sell them and recover the amount payable and any costs from the proceeds), although, in the case of the AT Class Units, the Responsible Entity does not intend to impose any Scheme levies other than the initial Scheme Levy and initial Horse-Related Levy on AT Class Unit Holders except for the Manager having the right to offset the amount of any Horse-related costs paid from its own resources against any Net Prize Money earned by the Horse, Net Proceeds received from the sale of the Horse (or any part of the Scheme's interest in it), or any Breeding Proceeds earned or received in respect of the Horse.</p> <p>If you become ineligible to be an owner of a racehorse 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 10.13 [<i>Rules of Racing</i>] of this PDS.</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,</p>

Risk	Description
	<p>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 record of the Responsible Entity or Manager or that the Scheme's investment objectives will be achieved.</p>
Distributions risk	<p>As a result of the inherent risk in any investment there is no guarantee that the Scheme will pay distributions at the rate forecast in the financial information or at all.</p>
Taxation	<p>The effect of taxation on Investors is complex and the summary in Section 9 [<i>Taxation</i>] of this PDS is general in nature. 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 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 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 will 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 horse(s)) to or from the Responsible Entity. While we consider this to be highly unlikely, in these circumstances the Responsible Entity may be required to either</p> <ul style="list-style-type: none"> (a) pay back Subscription Amounts in respect of a particular Class; or (b) where relevant, terminate and wind up the Scheme.

Risk	Description
<i>Horse-specific risks</i>	
Industry conditions	<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"> (a) variability in the level of demand for related thoroughbred horses and thoroughbred horses of equivalent calibre both at public auction and by private treaty; (b) variability in the level of supply of related thoroughbred horses and thoroughbred horses of equivalent calibre both at public auction and by private treaty; (c) any other change in the current conditions affecting investment in the thoroughbred horse racing and horse breeding industries, including level of prize money and taxation benefits available to thoroughbred breeders; and (d) 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 Horse may be raced. If that occurs, it is likely that the market for thoroughbred racehorses will cease, in which case there will be no market for the disposal of the Horse. If that occurs, you may lose all your investment, there will be no further prize money and there may be a period when you are still required to pay the costs associated with the maintenance and welfare of the Horse.
Risks associated with the Horse	<p>Risks specifically associated with the Horse include (without limitation):</p> <ul style="list-style-type: none"> (a) there is no guarantee: <ul style="list-style-type: none"> (i) as to when the Horse will commence racing or breeding; (ii) that the Horse: <ul style="list-style-type: none"> A) will have the ability to win any races or prize money; B) will have any significant residual value either at any time during or at the end of its racing career; (b) the value of the Horse is likely to fluctuate while it is owned by the Scheme and will be

Risk	Description
	<p>affected by market forces, its race or breeding performances, and its suitability for breeding at the end of its racing career. The Horse may decline in value and Unit Holders may lose all or a significant portion of their investment. Even if the Horse appreciates in value, the rate of appreciation may be insufficient to cover costs and expenses;</p> <p>(c) the value of the horse(s) is likely to fluctuate while it is owned by the Scheme and will be affected by market forces, its race or breeding performances, and its suitability for breeding at the end of its racing career. A horse may decline in value and Interest Holders may lose all or a significant portion of their investment. Even if the horse appreciates in value, the rate of appreciation may be insufficient to cover costs and expenses;</p> <p>(d) the Horse may have undisclosed medical issues or other unidentified issues that prevent the Horse from racing or breeding. The Manager's policy is for sellers of a horse to make full disclosure of medical issues and confirm to the Responsible Entity in the terms and conditions of sale that all events pertaining to the horse have been fully disclosed. Should these terms prove to be false, the Responsible Entity will seek to recover costs on behalf of Unit Holders, but may have limited recourse in practice to recover these costs. The Responsible Entity and Manager reserve the right not to pursue these matters without explanation to the Unit Holders;</p> <p>(e) the Horse 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 Horse and the Responsible Entity accepts no responsibility for compliance with these requirements;</p> <p>(f) the 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</p>

Risk	Description
	<p>other risks that may be insignificant or not reasonably foreseeable;</p> <p>(g) if the 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 an entire, a residual value as a stallion is not assured;</p> <p>(h) if the Horse is retired to stud, it may be infertile or produce foals that are suitable for racing purposes and sale. Horse-breeding is speculative in nature and returns (if any) could be variable; and</p> <p>(i) 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> <p>Unit Holders should also anticipate that the value of the Units will fluctuate during the term of the Scheme and that there will be no ready market for the Units.</p>
Insurance costs may be insufficient	Insurance coverage may expressly exclude damage caused by certain events. In addition, coverage limits at any point in time may be below fair value.
Entitlement to make ownership decisions	The Manager's ability to manage and make decisions pertaining to the Horse will be limited to the Responsible Entity's ownership interest in the Horse. This will impact the Manager's influence over the maintenance, training, racing or breeding of the Horse and may impact the likelihood of Net Prize Money being earned or Net Proceeds or Breeding Proceeds being maximised.

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 summary¹

MyRacehorse No 1 - AT Class Units

Type of fee or cost	Amount ²	How and when paid
Ongoing annual fees and costs		
<i>Performance fees</i>	7.5% of Net Prizemoney ⁴	Payable upon the sale of the Horse or an interest in the Horse, or upon the retirement of the Horse to a stud, out of the Net Proceeds.
Amounts deducted from your investment in relation to the performance of the product	12.5% of the net Sale proceeds received.	
<i>Transaction costs</i>	\$0.56 per AT Class Unit. ⁵	Transaction costs are paid as and when they are incurred out of the initial Horse-Related Levy or the initial Scheme Levy (whichever applicable). Any transaction costs incurred in relation to the Scheme
The costs incurred by the scheme when buying or selling assets		

or the Horse that are not covered by the initial Horse-Related Levy or initial Scheme Levy will be paid as and when they are incurred, or paid by the Manager and reimbursed out of Scheme assets referable to the AT Class.

Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)

<i>Establishment fee</i>	Nil.	Not applicable.
The fee to open your investment		

<i>Contribution fee</i>	Nil.	Not applicable.
The fee on each amount contributed to your investment		

<i>Buy-sell spread</i>	Nil.	Not applicable.
An amount deducted from your investment representing costs incurred in transactions by the scheme		

<i>Withdrawal fee</i>	Nil.	Not applicable.
The fee on each amount you take out of your investment		

<i>Exit fee</i>	Nil.	Not applicable.
The fee to close your investment		

<i>Switching fee</i>	Nil.	Not applicable.
The fee for changing investment options		

1. Unless otherwise stated, the fees and costs are stated on a GST inclusive basis less any reduced inputs tax credits and include any applicable stamp duty.

2. The fees and costs disclosed in this table assume that the Maximum Subscription Amount has been met. Should the Maximum Subscription Amount not be met in full (but the Minimum Subscription Amount be met), the fees and costs may be different. 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 AT Class Unit holdings. For more information on management fees and costs, performance fees and transaction costs, see Section 7.4 [Additional explanation of fees and costs].

3. The costs component of management fees and costs is the Responsible Entity's estimate of costs that will apply for the current financial year (adjusted to reflect a 12-month period). The management fee reflects the Trustee's reasonable estimate of the typical fee for the current financial year. There may be other management fees and costs incurred in relation to the Horse or the Scheme that are not reasonably anticipated. For more information on management fees and costs, see Section 7.4 [Additional explanation of fees and costs].

4. There may be Performance Fees that are payable in relation to the AT Class when the performance of the Horse generates prize money or proceeds on disposal of the Horse (or the Scheme's interest in it). Given the nature of racing and breeding it is not possible to accurately forecast what the performance of the horse will be, how much prize money they will win, the proceeds on sale or the opportunity to breed the Horse. Horse racing is speculative, and the Horse may not earn any prize money or be sold at a desirable price (or sold at all), in which case the Manager will not earn any performance fees. On that basis, the Responsible Entity's reasonable estimate of the performance fees payable for the current financial year (adjusted to reflect a 12-month period) is nil. The Manager's performance fee is in addition to the Trainer's fee payable by the relevant Principal Racing Authority. See 'Mandatory deductions to the Principal Racing Authorities' under the heading 'Additional explanation of fees and costs. 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. The transaction costs are costs associated with acquiring the assets of the Scheme. The transaction costs are based on the Responsible Entity's estimate of the costs for the current financial year (adjusted to reflect a 12-month period). For more information, see under the heading 'Transaction costs' in Section 7.4 [Additional explanation of fees and costs].

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 - MyRacehorse No 1 - AT Class BALANCE OF \$50,000 WITH A CONTRIBUTION OF Units¹ \$5,000 DURING YEAR		
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
PLUS Management fees and costs ²	\$0.135 per AT Class Unit	And , for every \$50,000 you have in MyRacehorse No 1 - AT Class you will be charged or have deducted from your investment \$6,750 each year
PLUS Performance fees ³	Nil	And , you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs	Nil	And , you will be charged or have deducted from your investment \$0 in transaction costs
EQUALS Cost of MyRacehorse No 1 - AT Class		<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of:</p> <p style="text-align: right;">\$[7,425]⁴</p> <p>What it costs you will depend on the investment option you choose and the fees you negotiate.</p>

1. All calculations in this table assume that Maximum Subscription Amount being achieved. 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.

2. The management fees and costs include the Responsible Entity's management fee and the costs and expenses of operating the Scheme and caring for, training and racing the Horse for the current financial year (adjusted to reflect a 12-month period). An initial Scheme Levy and initial Horse-Related Levy, which are intended to cover a proportion of the Scheme's costs and expenses and Horse-related costs and expenses until the period ending 30 June 2026, are payable upon subscription. 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 prize money is not known and speculative only. The performance fee is based on an estimate as at the date of this PDS. 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 AT Class Units, and that the additional \$5,000 was invested at the end of the year. However, this table is an example of fees and costs prescribed by law. Investors may only apply for AT Class Units in multiples of the Minimum Investment Amount per Investor of \$130.

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. Set out under the heading 'Worked example of annual fees and costs' in Section 7.5 [*Additional explanation of fees and costs*] of this PDS is a worked example of the amount payable on application by an Investor (including the subscription price, initial Scheme Levy, and initial Horse-Related Levy).

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).

Scheme-related management fees and costs

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 initial Scheme Levy and, if required, any Net Prize Money, Net Proceeds or Breeding Proceeds of the Scheme referable to the AT Class Units.

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

- (a) the Responsible Entity's management fees for providing trustee services in relation to the Scheme, which is a fee of \$20,000 (plus GST) per annum;
- (b) the fees payable to the Manager for performing the Manager's duties under the Management Agreement attributable to the AT Class Units;
- (c) the one-off management, operational and marketing fees payable to the Manager equal to 20% (inclusive of GST) of the Subscription Amounts received in respect of the offer of AT Class Units under this PDS;
- (d) premiums payable in respect of the Responsible Entity's professional indemnity insurance (where the premium amounts are based on the value of the Horse referable to the AT Class Units);
- (e) fees payable to the external Scheme auditor and compliance plan auditor;
- (f) the ASIC annual return lodgement fees; and
- (g) other normal Scheme operating costs and expenses attributable to the AT Class Units.

The Responsible Entity has determined, in conjunction with the Manager, that the costs and expenses described above will be payable out of the initial Scheme Levy, which is required to be paid by Investors as part of the Subscription Amount.

The initial Scheme Levy is calculated based on the Responsible Entity's estimate of the Scheme-related costs and expenses that will be payable over the period ending 30 June 2026, however, actual costs and expenses may vary. If at any time the initial Scheme Levy is insufficient to cover Scheme-related costs and expenses which are referable to the AT Class, these will be paid out of any Net Prize Money earned by, or Net Proceeds received from the sale of, or Breeding Proceeds received from the breeding of, the Horse. If required, the Responsible Entity may raise a Scheme Levy to pay for unforeseen or additional costs and expenses relating to the AT Class which cannot be paid out of the Scheme's assets referable to the AT Class.

The initial Scheme Levy payable by Investors subscribing for AT Class Units under this offer is \$47,189 (or \$0.109 per Unit). This initial Scheme Levy is calculated based on the Responsible Entity's estimates of:

- (a) \$10,649 (or \$0.025 per Unit) for the period from the date upon which the AT Class Units are issued to 30 June 2023; and
- (b) \$12,180 (or \$0.028 per Unit) for the period from 1 July 2023 to 30 June 2024.
- (c) \$12,180 (or \$0.028 per Unit) for the period from 1 July 2024 to 30 June 2025.
- (d) \$12,180 (or \$0.028 per Unit) for the period from 1 July 2025 to 30 June 2026.

Currently, if the investment period ends on 30 June 2026, the Responsible Entity does not intend to impose additional Scheme Levies on holders of AT Class Units under this offer beyond the initial Scheme Levy, although the Responsible Entity has the right to impose additional Scheme Levies under the Constitution. The Responsible Entity reserves the right to issue Scheme Levies to pay extraordinary Scheme expenses such as the costs of a meeting of Unit Holders, or if the investment period extends beyond 30 June 2026.

Horse-related management fees and costs

Horse-related management fees and costs are management fees and costs that are associated with maintaining, training, and racing the Horse. These fees and costs are payable out of the initial Horse-Related Levy and, if required, out of any Net Prize Money, Net Proceeds or Breeding Proceeds of the Scheme referable to the AT Class Units.

Examples of Horse-related management fees and costs include:

- (a) one-off Horse-related costs including veterinary report costs, valuation costs, and costs of registering the Scheme's interest in the Horse;
- (b) premiums payable for mortality insurance and public liability insurance in respect of the Horse; and
- (c) the fees payable and expenses reimbursable to the Trainer and other third-party service providers for maintaining, training, and racing the Horse referable to the AT Class Units.

The Responsible Entity has determined, in conjunction with the Manager, that the horse-related costs and expenses described above will be paid or reimbursed out of the initial Horse-Related Levy (which is required to be paid by Investors as part of the Subscription Amount).

The initial Horse-Related Levy is calculated based on the Responsible Entity's estimate of the Horse-related costs and expenses that will be payable over the period ending 30 June 2026, however, actual costs and expenses may vary. If at any time the initial Horse-Related Levy is insufficient to cover Horse-related costs and expenses which are referable to the AT Class, these will be paid out of any Net Prize Money earned by, or Net Proceeds received from the sale of, or Breeding Proceeds received from the breeding of, the Horse. If required, the Responsible Entity may raise a Horse-Related Levy to pay for unforeseen or additional costs and expenses relating to the Horse which cannot be paid out of the Scheme's assets referable to the AT Class.

The initial Horse-Related Levy payable by Investors subscribing for AT Class Units under this offer is \$146,124 (or \$0.337 per Unit). This initial Horse-Related Levy is divided into two categories, the cost of mortality insurance and public liability insurance for the Scheme's 50% interest in the Horse, and other Horse-related fees and costs, as follows:

Mortality insurance and public liability insurance

- (a) \$812 (or \$0.002 per Unit) for the period from the date upon which the AT Class Units are issued to 30 June 2023; and
- (b) \$6,307 (or \$0.015 per Unit) for the period from 1 July 2023 to 30 June 2024.
- (c) \$6,307 (or \$0.015 per Unit) for the period from 1 July 2024 to 30 June 2025.
- (d) \$6,307 (or \$0.015 per Unit) for the period from 1 July 2025 to 30 June 2026.

Other Horse-related fees and costs

- (a) \$6,389 (or \$0.015 per Unit) for the period from the date upon which the AT Class Units are issued to 30 June 2023; and
- (b) \$40,000 (or \$0.092 per Unit) for the period from 1 July 2023 to 30 June 2024.
- (c) \$40,000 (or \$0.092 per Unit) for the period from 1 July 2024 to 30 June 2025.
- (d) \$40,000 (or \$0.092 per Unit) for the period from 1 July 2025 to 30 June 2026.

These other Horse-related fees and costs will be paid by the Manager, then invoiced to the Responsible Entity monthly and will be paid out of the initial Horse-Related Levy (which is required to be paid by Investors as part of the Subscription Amount).

As at the date of this PDS, the Responsible Entity estimates that the annual Horse-related costs (excluding mortality insurance and public liability insurance, non-routine veterinary expenses, and race entry fees for significant races like The Everest, the Melbourne Cup, and the Golden Slipper) for the Scheme's 50% interest in the Horse will be approximately \$40,000, although the actual costs will vary considerably depending upon the time the Horse is spelling, in pre-training, training, and racing each year.

Currently, if the investment period ends on 30 June 2026, the Responsible Entity does not intend to impose additional Horse-Related Levies on holders of AT Class Units under this offer beyond the initial Horse-Related Levy, although the Responsible Entity has the right to impose additional Horse-Related Levies under the Constitution. The Responsible Entity reserves the right to issue Scheme Levies to pay extraordinary Scheme expenses such as the costs of a meeting of Unit Holders, or if the investment period extends beyond 30 June 2026. If further funds are required for the other Horse-related costs and expenses, they may be provided by the Manager from its own resources in

the first instance with a right to be reimbursed by the Responsible Entity from Scheme assets referable to the AT Class, or alternatively the Responsible Entity may raise a further Horse-Related Levy.

Other management 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 the initial Scheme Levy or the initial Horse-Related Levy, as it is not possible to accurately forecast all fees and costs of managing and operating the Scheme assets over the expected period of investment due to variability in pre-training, training, racing, performance and/or breeding outcomes each year.

While these fees and costs may be paid out of the Scheme's assets by the Responsible Entity under its power of indemnification under the Constitution, the Manager has agreed with the Responsible Entity to pay these costs and expenses out of its own resources, subject always to Manager's right to be reimbursed by the Responsible Entity from any future Net Prize Money earned by, Net Proceeds received from the sale of, or Breeding Proceeds received from the breeding of, the Horse (or any part of the Scheme's interest in it).

The fees and costs that the Manager will pay out of its own resources are the Horse-related fees and costs above the amounts included in the initial Horse-Related Levy NOT able to be offset against any Net Prize Money earned by, or Net Proceeds received from the sale of, or Breeding Proceeds received from the breeding of the Horse (or any part of the Scheme's interest in it).

In some cases, it is not possible to accurately forecast the above fees and costs. It is estimated that the annual total of these fees and costs will be between \$7,500 and \$20,000 approximately.

Note that if the Manager fails to pay these fees and costs, it is possible that the final course of action could result in the sale of the Horse.

Mandatory deductions by the Principal Racing Authorities

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

Mandatory allocation of prize money by the Principal Racing Authorities under the Australian Rules of Racing [Flat races only] – expressed as a percentage (%) of total prize money							
AR126 and PRA Local Rules [LR#] * - Subject to change	VIC	NSW & ACT	SA			QLD & NT	WA & TAS
Recipient			Win	Placing			
				(1)	(2)		
o Trainer	9.7	9.9	10	10	10	9.9	10
o Jockey	4.85	4.95	5	5	5	4.95	5
o Stable hand Prize money Scheme	-	2	-	-	-	-	-
o Jockey Insurance & Welfare Scheme	1	1	-	-	-	-	-
o Animal Welfare Fund	2	1.5	-	-	-	1	-
o Net Prize money payable to Owner	82.45	80.65	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.
3. Other states and territories may vary.
Access Fee: Racing Victoria Limited also deducts a fee of \$77 including GST from prize money each time a horse races and earns prize money. It is invested back into the facilities at the track where the horse is trained.

4. Net prize money 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.

Trainer's performance fee

The terms of the Trainer's Training Agreement and Fees Notice provide for the Trainer to be paid and receive a performance-based fee if the Horse, being other than an entire, is sold while being trained by the Trainer or within three months after ceasing to be trained by the Trainer. In this circumstance, the Trainer is entitled to receive an additional fee equal to 10% (plus GST) of the sale price (excluding GST) if the Horse is sold privately, or 2% (plus GST) of the sale price (excluding GST) if sold at a public auction.

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 Proceeds.

Manager's performance fees

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

The Manager is entitled to a performance-based management fee of 7.5% (plus GST) of any Net Prize Money earned, and an additional performance-based management fee of 12.5% (plus GST) of the Net Proceeds of sale of the Scheme's interest (or part thereof) in the Horse.

If the Horse is an entire and is retired to stud, and the Manager elects to retain it (or any part of the Scheme's interest in it), the performance-based management fee will be 12.5% (plus GST) of the net income earned, PLUS an additional performance-based management fee of 12.5% (plus GST) of the Net Proceeds received from the sale of any interest sold.

Worked examples

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

Type of performance fee	Worked example
Trainer's performance fee (chargeable against Net Proceeds)	<p>The Trainer's additional remuneration is calculated using the following formula:</p> $S \times [0.05],$ <p>where 'S' is the sale price (excluding GST).</p> <p>For example, where the Horse or an interest is sold for \$100,000, the Trainer's additional remuneration is \$5,500 (including GST) (where the other conditions described under 'Trainer's additional remuneration' are satisfied).</p>
Manager's performance-based management fee (chargeable against Net Prize Money)	<p>The Manager's performance-based management fee is calculated using the following formula:</p> $(P - M) \times [0.075],$

Type of performance fee	Worked example
	<p>where 'P' is the total prize money and 'M' is the mandatory deduction that is deducted by the relevant Principal Racing Authorities as described in the table below.</p> <p>Where the Horse earns \$100,000 in prize money and the mandatory deduction is \$18,350, the Manager's performance-based management fee is \$6,736 (including GST).</p>
Manager's additional performance-based management fee (chargeable against Net Proceeds)	<p>The Manager's additional performance-based management fee is calculated using the following formula:</p> $S \times [0.125],$ <p>where 'S' is the Net Proceeds of sale of the Scheme's interest (or part thereof) in the Horse.</p> <p>Where the Scheme's interest in the Horse is sold for \$100,000, the Manager's additional performance-based management fee is \$13,750 (including GST).</p>

Transaction costs

Transaction costs include brokerage, buy-sell spreads, settlement costs, clearing costs and stamp duty on an investment transaction.

The transaction costs relevant to the Scheme comprise the one-off bloodstock fee payable to the Manager that is equal to 5% (plus GST) of the sale price of the Horse (or interest in the Horse) to be acquired by the Scheme that is referable to the AT Class Units.

The transaction costs set out in the 'Fees and costs summary' in Section 7.2 [*Fees and costs summary*] is the bloodstock fee payable in respect of the Horse, and is net of any amount recovered by the buy-sell spread. This is equal to the gross transaction costs of the Scheme, as the Responsible Entity currently does not charge a buy-sell spread.

Transaction costs 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 initial Scheme Levy and the initial Horse-Related Levy (whichever applicable). If there are insufficient levies, transaction costs are paid by the Manager (with a right to be reimbursed by the Responsible Entity from from Scheme assets referable to the AT Class - that is, any future Net Prize Money earned by, or Net Proceeds received from the sale of, or Breeding Proceeds received from the breeding of, the Horse).

Changes to fees

The Responsible Entity may increase or decrease its own fees for a number of reasons without Investor consent, subject to the maximum fee amounts specified in the Constitution. We will provide Investors at least 30 days' prior notice of any proposed fee increase in accordance with the 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 a maximum management fee of \$20,000 (plus GST) per annum. The Constitution permits the 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).

Bank and government charges

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

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.

Transfer fees

The Responsible Entity may charge a fee on the transfer of the AT Class Units. The amount of the fee is the \$5 (plus GST) per transaction. The fee is payable by the transferor Unit Holder to the Responsible Entity, and retained by the Responsible Entity for its own account. It is not payable out of the assets of the Scheme (including Net Prize Money, Net Proceeds or Breeding Proceeds). Rather, it is charged separately to the Investor by the Responsible Entity under a separate agreement with the Investor.]

7.5 Worked example of amounts payable upon application

Unit Holders may acquire any number of AT Class Units in multiples of 130.

Investors are required to pay the subscription price for the Units, the initial Scheme Levy per Unit, and the initial Horse-Related Levy per Unit upon application, which comprise the Subscription Amount.

This means that, for example, if you invest the Minimum Investment Amount of \$130 in total under this PDS for the subscription of AT Class Units, your Subscription Amount will be allocated as follows:

- \$71.99 by way of subscription for 130 AT Class Units at the subscription price of \$0.554 per Unit;
- \$14.17 by way of payment of the initial Scheme Levy to cover Scheme-related fees and costs for the period ending 30 June 2026 (based on a Scheme Levy of \$0.109 per Unit); and
- \$43.84 by way of payment of the Horse-Related Levy to cover Horse-related fees and costs for period ending 30 June 2026 (based on a Horse-Related Levy of \$0.337 per Unit).

The above example assumes that the maximum Subscription Amount has been raised.

7.6 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 9 [*Taxation*] of this PDS.

8 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 ausupport@MyRacehorse.com.

Question	Answer
How will trophies/race day memorabilia be dealt with?	All trophies won by the Horse 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.
How will the welfare of the Horse be protected?	The Manager aims to put the wellbeing of the Horse as the first priority in the experience and as such will take all measures to ensure the wellbeing of the Horse.
What trainer updates will I receive?	<p>As a AT Class Unit Holder, you will receive via the Manager at least the same level of communication from the Trainer of the Horse referable to the AT Class Units as is normally provided by the trainer directly to the owners of other horses.</p> <p>Trainers are expected to provide video, voice, and photographic updates on a regular basis.</p>
Will I receive enclosure tickets?	<p>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> <p>THE MOUNTING YARD TICKETING RULES Mounting Yard Access and Code of Conduct</p> <ul style="list-style-type: none">• The Mounting Yard is a limited ticketing lottery.• If you are not a successful recipient under no circumstance, can you enter the mounting yard at any time pre or post-race. This is a request from both MyRacehorse and the Race Clubs.• If you win a Mounting Yard pass, please comply with the race club dress codes set out on

Question	Answer
	<p>their website.</p> <p>Winner's Room Access and Code of Conduct</p> <ul style="list-style-type: none"> • The Winner's Room is only available (if the horse wins) to owners who receive a Mounting Yard pass in the lottery. • No mounting yard pass means no Winner's Room access under any circumstances pre or post-race. • If you are in the Winners' Room, please be respectful of speeches and other owners. <p>MyRacehorse own a fraction of the total horse and EVERY owner is entitled to a great day out.</p> <ul style="list-style-type: none"> • Note: Any owner who breach the above Mounting Yard and Winner's Room access and codes of conduct will be blacklisted from future lottery opportunities with any MyRacehorse runner
<p>When will the Horse be sold or retired?</p>	<p>The Manager will be responsible for managing the Horse. At the forefront of the Manager's objectives will be the welfare of the Horse and the best interests of the Unit Holders.</p> <p>If the Manager determines that racing, or continuing to race, the Horse is not in the interests of the Horse itself or Unit Holders, then the Horse will either be sold, or if it is an entire (a male horse that has not been gelded) retired to stud, at the Manager's discretion. If the Manager considers the Horse has no significant commercial value, the Manager may, at its discretion, rehome the Horse or transfer it to a rehoming program. In each case, the Manager's decisions in relation to the Horse is subject to the Manager's ability to deal with these decisions in accordance with the relevant ownership percentage held by the Responsible Entity in accordance with the Rules of Racing.</p>
<p>What is the Manager's role?</p>	<p>The Manager will work closely with the Trainer to ensure that the Horse is exposed to the best possible racing programs, jockeys, and other important career management decisions.</p> <p>The Manager, in conjunction with the respective trainers, is responsible for all decision making in relation to the Horse, 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.</p>

Question	Answer
Can I contact the trainer?	Unit Holders are PROHIBITED from contacting the Trainer directly. Questions regarding the Horse should be directed to the Manager at ausupport@MyRacehorse.com using the contact functionality on the website.
What is the code of conduct?	The Manager wants to make ownership a pleasurable experience for all Unit Holders. As a Unit Holder, you must comply with the Rules of Racing and act in the best interests of racing and the Scheme.
Will the Horse run under any specific colours?	To be confirmed.
What kind of proceeds are earned by owning the Horse?	All Net Prize Money, Net Proceeds or Breeding Proceeds will be distributed proportionately to the AT Class Unit Holders in the same proportion as the number of Units held bears to the total number of Units of the AT Class, after the payment of Scheme costs and expenses referable to the AT Class.
What type of insurance is taken out?	The estimated cost of mortality insurance [and public liability insurance] for period ending 30 June 2026 is included in the Horse-Related Levy paid by Investors when subscribing for Units. The Responsible Entity maintains professional indemnity insurance in respect of each Class, and the amount payable in respect of insurance premiums for professional indemnity insurance is paid out of the assets of the Scheme but are costs attributable to the relevant Class.

9 Taxation

The Responsible Entity is not an expert 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 in relation to taxation has been sourced from Carrazzo Consulting, who is an adviser to the Responsible Entity on taxation matters. It 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.

9.1 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.

9.2 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.

9.3 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.

10 Additional information

10.1 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.

The Constitution covers a number of additional matters, including:

- (a) the nature of the Units which are issued, application procedure and process for issuing Units;
- (b) the obligations and duties of Unit Holders, including the obligation to pay the Scheme Levies and Horse-Related 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 Horse;

-
- (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 Units;
 - (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).

10.2 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.

10.3 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 will follow 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.

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

Other material agreements

The Manager will enter into a Training Agreement and Fees Notice with the Trainer.

10.5 Keeping you informed

The Responsible Entity will keep you up to date regarding your investment. For example, you will receive or have access to see online:

- (a) a confirmation notice after the Units which you have applied for are issued;
- (b) a distribution statement (if and when distributions are paid);
- (c) an annual tax statement containing a summary of your distributions for the financial year to assist you in completing your tax return; and
- (d) the Annual Financial Report for the Scheme. (You may elect not to receive these if you wish.)

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.

10.6 Continuous disclosure

The Responsible Entity will meet its continuous disclosure obligations by publishing material information on the Manager's website at <https://myracehorse.com/app/offering/15561> in accordance with the requirements of ASIC policy. Material information in relation to the Scheme, including continuous disclosure notices, is uploaded on that website.

If the Scheme is a disclosing entity, the Scheme is subject to regular reporting and disclosure obligations. Investors can obtain a copy of the following documents from the website <https://myracehorse.com/app/offering/15561>:

- (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.

10.7 Cooling off

If you are a 'retail client' (as defined under the Corporations Act) investing directly in the Scheme, you have a 14-day cooling-off period to ensure the investment meets your needs. The cooling off period starts from the earlier of:

- (a) the day we give you a transaction confirmation; or

-
- (b) five business days after you acquire the product.

If you exercise your cooling-off rights, we will return your money to you; however, the amount we return may be different from your original investment. The amount may be higher or lower to reflect market movements and this may have tax implications for you. The amount returned will also be affected by the deduction of reasonable administration costs incurred by us or any other amount that may be deducted by us under the Corporations Act. Your cooling-off rights terminate immediately if:

- (c) you exercise any of your rights or powers of a Unit Holder in the Scheme; or
- (d) an event occurs and your rights or powers of a Unit Holder cease to exist.

10.8 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 at email: ausupport@myracehorse.com. 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.

If you wish to lodge a written complaint, please write to:

MyRacehorse Pty Ltd
C/O MGD 175 Melbourne Street
South Brisbane QLD 4101

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**). AFCA provides fair and independent financial services complaint resolution that is free to consumers. AFCA's contact details are as follows:

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.

10.9 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
Carrazzo Consulting Pty Ltd Certified Practising Accountants	Taxation Advisors	General summary of the current taxation legislation set out in Section 9 [<i>Taxation</i>] of this PDS
UHY Haines Norton Chartered Accountants	Auditors for Scheme and Compliance Plan	Consent to act
Macquarie Legal Practice Solicitors	Legal Advisers	Provided advice in relation to the compilation of this PDS
MyRacehorse Pty Ltd	Manager	Consent to act
Simon Miller Racing Pty Ltd (ABN 28 131 937 178)	Trainer	Consent to act

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:

- (d) 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
- (e) 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.

10.10 Directors' authorisation

The directors of the Responsible Entity 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 has given and has not, at the date of this PDS, withdrawn their written consent to the issue of this PDS. The issue of this PDS by the Responsible Entity was authorised by Board resolution dated 10 May, 2023.

10.11 Labour standards or environmental, social, or ethical considerations

The Responsible Entity does not 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 Responsible Entity believes those matters may affect the value or performance of an investment in a horse, they may be considered.

The Responsible Entity does not have 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.

10.12 Anti-money laundering laws

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) (the **AML/CTF Act**) and *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1)* (Cth) before it can issue 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. 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 Responsible Entity may refuse to accept an application or decline to issue Units to an Investor until it has satisfactorily concluded a customer identification procedure in relation to the Investor.

The Responsible Entity may delay or refuse any request or transaction, including by suspending the issue or redemption of Units if the Responsible Entity is concerned that the request or transaction may cause the Responsible Entity to contravene the AML/CTF Act. The Responsible Entity will incur no liability to the Investor if it does so.

10.13 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.

10.14 Potential conflicts of interest

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 Horse. 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 Horse.

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

The Manager may buy horse(s) directly as an owner and offer those ownership interests to the Scheme. The interests of the Manager and its officers and shareholders may not always be aligned with your interests. However, the terms of the sale of the interest in a horse to the Scheme will be on arm's length terms.

Mr Anthony Fleiter is an owner of Macquarie Legal Practice as well as a director of the Responsible Entity.

10.15 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.

11 How to apply

11.1 Cost of the Units

The subscription price per AT Class Unit is \$1.00.

Units are ONLY available in multiples of 130 and must be held in multiples of 130.

Consequently, the minimum number of AT Class Units an Investor can apply for is 130, and the minimum subscription amount per Investor is \$130

There is no limit to the number of AT Class Units an Investor can apply for in multiples of 130.

The subscription price per AT Class Unit is payable by each Investor when applying for the Units.

11.2 Application process

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 invest you will need to do via <https://myracehorse.com/app/offering/15561>. You will need to complete the Application Form online and provide all of the information requested in the application process.

We will notify you when your application has been processed. Money will be held in an application moneys account until any Minimum Subscription Amount has been received.

If the Minimum Subscription Amount of \$162,760 is not achieved on or before the Offer Closing Date, MyRacehorse Pty Ltd intends to subscribe for Units on its own account and for its own purposes where the aggregate Subscription Amounts raised from other Investors does not achieve the Minimum Subscription Amount.

Until the Minimum Subscription Amount is met, the Subscription Amounts received will be held in a trust account designated for Subscription Amounts. Such moneys will not be invested in an interest-bearing account and no interest will be paid to the Investor by the Responsible Entity.

Units will be issued once the Minimum Subscription Amount is achieved.

If an application cannot be processed because it is incomplete or invalid, the relevant application money will be held in the application money account while the Responsible Entity seeks to resolve the issue with you. If the issue cannot be resolved, then your application will be rejected, and your Subscription Amount will be refunded.

12 Glossary

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

Term	Meaning
\$ or A\$	Australian dollars.
Acquisition Price	the acquisition price for the Horse described in Section 3.3 [<i>Details of the Horse</i>] of this PDS.
AFSL	Australian financial services licence issued by ASIC under the Corporations Act.
AML/CTF Act	<i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth).
Application Form	the application form (which may be in electronic form) which is attached to or accompanies this PDS under which an Investor may apply for Units.
ARR	the Australian Rules of Racing including the Trainer and Owner Reforms Rules.
ARSN	Australian Registered Scheme Number.
ASIC	Australian Securities and Investments Commission.
AT Class	a Class called the AT Class
AT Class Units	a Unit called the AT Class
Board	the board of directors of the Responsible Entity.
Breeding Proceeds	the balance of proceeds received by the Scheme in respect of the breeding of the Horse, after deducting all relevant breeding costs and expenses.
Business Day	a day that is not a Saturday, Sunday, bank holiday or public holiday in Sydney, Australia.
Class	a class of Units.
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).
Directors	the directors of the Responsible Entity.
Horse	the thoroughbred horse(s) described in Section 3.3 [<i>Details of the Horse</i>] of this PDS.

Horse-Related Levy	a levy which, under the Constitution, the Responsible Entity may impose on the Unit Holders of a Class to meet the costs and expenses associated with caring for, training, racing the Horse and (if applicable) breeding the Horse.
Investor, you, your, I	a Unit Holder, or an applicant for a Unit, or a prospective applicant for 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	MyRacehorse Pty Ltd (ACN 643 461 590).
Management Agreement	the management agreement entered into between the Manager and the Responsible Entity dated 24 May 2021.
Maximum Subscription Amount	the maximum aggregate Subscription Amounts to be received from all Investors for the offer of Units under this PDS to proceed.
Minimum Investment Amount	the minimum Subscription Amount that an individual Investor must subscribe for under this PDS in the AT Class. All applications for interests must be made in multiples of this amount.
Minimum Subscription Amount	the minimum aggregate Subscription Amounts to be received from all Investors for the offer of Units under this PDS to proceed.
Net Prize Money	the balance of prize money paid to the owner of the winning or placed horse after deductions by Principal Racing Authorities as described in Section 7.4 [<i>Additional explanation of fees and costs</i>] of this PDS under the heading 'Mandatory deductions to the Principal Racing Authorities'.
Net Proceeds	the balance of proceeds received from the sale of the Horse or an interest in the Horse, or the retirement of the Horse to stud, less the sale entry fee, commission, and other selling costs.
Offer Closing Date	one month from the date of this PDS, or such earlier date as may be determined by the Responsible Entity
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.
Racing Manager	the person appointed as the manager of the horse(s) in accordance with the Rules of Racing.
Responsible Entity, we, us, our	Sire Custodians Ltd (ABN 45 005 088 371).
Rules of Racing	the ARR and the PRA Rules applying in the relevant jurisdiction.
Scheme	the managed investment scheme known as MyRacehorse No 1 (ARSN 646 771 262), established under the Constitution.
Scheme Levy	a levy which, under the Constitution, the Responsible Entity may impose on the Unit Holders of a Class to meet the costs and expenses associated with operating the Scheme or assets of the Scheme allocated to the Class.
Subscription Amount	the amount which an Investor pays to subscribe or apply for for the offer of Units under this PDS, comprising the subscription price for Units, the initial Scheme Levy and initial Horse-Related Levy.
Training Agreement and Fees Notice	The Training Agreement and Fees Notice provided to the Manager by the Trainer.
Trainer	Simon Miller Racing Pty Ltd (ABN 28 131 937 178)
Unit	a unit 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.
Veterinarians	the veterinarians described in Section 3.3 [<i>Details of the Horse</i>] of this PDS.

13 Corporate directory

Manager

MyRacehorse Pty Ltd (ABN 53 643 461 590)
 AFSL Authorised Representative Number 001284902
 Address: 175 Melbourne Street South Brisbane QLD 4101
 Telephone 1800 934243

Responsible Entity

Sire Custodians Ltd (ABN 45 005 088 371)

AFSL 223671

Address: Suite 203, Level 2, 66 Berry Street NORTH SYDNEY, NSW, 2060 AUSTRALIA

Telephone: +61 2 9235 2500

Auditor

UHY Haines Norton (ABN 85 140 758 156)

Address: Level 11, 1 York Street SYDNEY, NSW, 2000 AUSTRALIA

Telephone: +61 2 9256 6600

Legal Advisor

Macquarie Legal Practice (ABN 85 481 840 123)

Suite 203, Level 2, 66 Berry Street NORTH SYDNEY, NSW, 2060 AUSTRALIA

Telephone: +61 2 9235 2500

Taxation Advisor

Carrazzo Consulting Pty Ltd (ABN 77 606 828 945)

Address: 801 Glenferrie Road HAWTHORN, VIC, 3122 AUSTRALIA

Telephone: +61 3 9982 1000