

miRunners Racing No.1 – Part 1 Product Disclosure Statement

ARSN 615 110 711

Dated: 11 April 2019

This Product Disclosure Statement is provided in two parts:

Part 1 – miRunners Racing No 1 General Information

Part 2 – miRunners Racing No 1 Trainer specific information

**Part 2 of this Product Disclosure Statement includes specific information regarding:
Class L Units – miRunners Scheme Horse to be trained by Lindsay Park Racing**

You should read both Part 1 and Part 2 carefully before making a decision to invest. If you have not received both Parts, please contact miRunners Australia Limited.

Manager

miRunners Australia Limited

ABN 22 165 575 226

AFS Representative Number 001248648

Address: Suite 2, Level 2

37-39, The Corso

MANLY NSW 2095

Telephone: 1300 282 941

Responsible Entity

Sire Custodians Ltd

ABN 45 005 088 371

AFSL 223671

Address: Suite 203, Level 2

66 Berry Street

NORTH SYDNEY NSW 2060

Telephone: 02 9235 2500

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 miRunners Racing No.1 (ARSN 615 110 711) (**miRunners Scheme**). In particular you should pay careful consideration to the risk factors outlined in Section 6 and the tax implications in Section 9 of this document as they relate to your personal investment objectives, financial circumstances and needs. The potential tax effects of an investment in the miRunners 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 miRunners 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**) as the Responsible Entity of the miRunners Racing No.1 (ARSN 615 110 711).

Date

This PDS was prepared in consultation with the Manager in accordance with the Corporations Act. This PDS is dated 11 April 2019. 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 and has been prepared as general information only without consideration for your particular investment objectives, financial circumstances or particular needs.

In particular, you should pay careful consideration to the risk factors outlined in Section 6 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 miRunners 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 9 of this PDS and obtain your own professional taxation advice prior to deciding

whether to invest in this offer for Units in the miRunners Scheme.

Rights and liabilities attached to Units

Details of the rights and liabilities attached to each Class of Units are set out in Section 1 and in the Constitution, a copy of which 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 Australian Unit Holders at www.miRunners.com. If you access the PDS electronically, please ensure that you download and read the 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 miRunners Scheme will only be considered if applied for via the online Application Form or via the miRunners Support centre

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

This PDS has been prepared to comply with the requirements of Australian law and is only being made to Unit Holders in Australia.

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.

Distribution of this PDS outside of Australia (whether electronically or otherwise) may be restricted by law. Persons who receive this PDS outside of Australia are required to observe any such restrictions. Failure to comply with such restrictions may find you in violation of applicable securities laws.

Any person subscribing for Units in the miRunners 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 miRunners Scheme.

Updated information

Information regarding the miRunners Scheme may change from time to time. Any updated information about the miRunners Scheme that is considered not materially adverse to Unit Holders will be made available on the Manager's website: www.miRunners.com 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. You should read any supplementary disclosures made in conjunction with this 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.

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 miRunners 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 the Glossary (Section 12).

Unless otherwise stated or implied, references to times in this PDS are [AEST]. 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 miRunners 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 miRunners 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 miRunners 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 support@miRunners.com

CONTENTS

1.	WELCOME TO THE MIRUNNERS SCHEME	4
1.1	Overview	4
1.2	Structure of Scheme	4
1.3	Offer and acquisition process	4
1.4	The Responsible Entity	5
1.5	The Manager.....	5
1.6	Prize money.....	5
1.7	Registered with ASIC.....	5
2.	MIRUNNERS SCHEME AT A GLANCE	6
3.	HOW THE MIRUNNERS SCHEME WORKS	9
3.1	Becoming a Unit Holder in the miRunners Scheme.....	9
3.2	What you receive when you make an investment	9
3.3	Trainers	9
3.4	Insurance.....	9
3.5	How to keep track of your investment	9
3.6	Code of conduct	10
4.	MANAGER AND OTHER THIRD-PARTY SERVICE PROVIDERS	11
4.1	Manager	11
4.2	Directors of the Manager.....	11
5.	WHAT ARE THE BENEFITS OF INVESTING IN THE SCHEME?	12
6.	WHAT ARE THE RISKS OF INVESTING IN THE SCHEME?	14
6.1	miRunners Scheme specific risks	14
6.2	General risks	15
7.	COMMONLY ASKED QUESTIONS	17
8.	FEES AND OTHER COSTS	20
9.	TAXATION	21
10.	ADDITIONAL INFORMATION	22
10.1	Constitution of the miRunners Scheme	22
10.2	Compliance Plan	22
10.3	Material contracts	22
10.4	Keeping you informed	23
10.5	Continuous disclosure.....	23
10.6	Cooling off.....	23
10.7	Complaints	24
10.8	Directors' authorisation.....	24
10.9	Labour standards or environmental, social or ethical considerations.....	24
10.10	Anti-money laundering laws	24
10.11	Payments to related parties.....	25
10.12	Documents available for inspection	25
11.	HOW TO APPLY	26
12.	GLOSSARY	27
13.	CORPORATE DIRECTORY.....	29

This document is Copyright©.

Copying or reproducing it by any means for any purpose unrelated to miRunners No 1 Racing is prohibited.

1. WELCOME TO THE MIRUNNERS SCHEME

1.1 Overview

The miRunners Scheme is designed to afford investors an opportunity to participate, through the Scheme, in the ownership and racing of quality thoroughbred horses trained by reputable and well-known trainers. By holding Units in the Scheme, investors may spread both the costs and inherent risks associated with owning and racing thoroughbred racehorses.

1.2 Structure of Scheme

The miRunners scheme is structured as an unlisted Unit trust. The Responsible Entity accepts money from different investors which is pooled and collectively used to acquire the Horses. The miRunners Scheme levies are used to meet the costs of the operation of the Scheme.

The beneficial interest in the miRunners Scheme is divided into Units. Each Unit confers on the holder of that Unit (**Unit Holder**) an undivided interest in the assets of the miRunners Scheme in the same proportion as that Unit number bears to the total number of Units on issue. However, 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 a Constitution. The Constitution allows for the issue of different Classes of Units which may have different rights and obligations (including fees) attached to them. Within each Class of Units, the Units have the same rights.

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

- (a) will benefit from racing the specific miRunners Scheme Horse referable to that Class, including a proportion of any prize money earned from racing the Horse and any sale proceeds which may be realised if or when it is sold; and
- (b) will be responsible for all of the costs and expenses:
 - (i) associated with acquiring, maintaining, training and racing the Horse; and
 - (ii) associated with operating the miRunners Scheme attributable to that particular Class.

More information on Classes can be found in section 3.2 below and in the Part 2 which is issued for each Class.

1.3 Offer and acquisition process

Each time the Responsible Entity proposes to acquire a new miRunners Scheme Horse, the Responsible Entity will issue a new PDS (being this Part 1 and a new Part 2). The Part 2 of this PDS will explain the benefits and risks of acquiring a particular Class of Units and will provide information to potential investors about special features of investing in that Class, including the trainer who is proposed for the miRunners Scheme Horse referable to that Class, the price range in which that Horse will be acquired, and the fees and costs associated with that Class.

In other words, each Class of Units will relate to a different miRunners Scheme Horse.

The Responsible Entity will seek investment in that Class of at least a minimum amount which will be stated in the Part 2 of this PDS. The Part 2 of this PDS explains what will happen if that minimum is not reached, broadly, which is that all application moneys received will be refunded.

The Part 2 of this PDS also explains what will happen if the minimum subscription amount is reached, including that investors will then be issued with Units of the particular Class and the Responsible Entity will then seek to acquire a suitable horse for the miRunners Scheme referable to that Class. The subscription money will exceed the amount required by the Responsible Entity

to acquire a Horse for the miRunners Scheme referable to that Class. The balance will be retained by the Responsible Entity and used to meet the fees and costs associated with the maintenance of that Horse and the operation of the miRunners Scheme.

Members of a Class will be required to make ongoing payments towards the fees and costs of the Scheme. Please see the Part 2 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 of a particular Class.

The Part 2 of this PDS explains the process of acquiring a suitable horse for the miRunners Scheme 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: AFSL 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 2002.

The Manager operates as an authorised representative, AFS Representative Number: 001248648, of the Responsible Entity in relation to the financial services that it provides in connection with the miRunners Scheme.

The Responsible Entity is a member of the Financial Ombudsman Service Limited, an external dispute resolution body (member number 11316).

1.5 The Manager

The Responsible Entity has engaged MIRUNNERS AUSTRALIA LIMITED (ABN 22 165 575 226) as the Manager of the miRunners 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 miRunners Scheme. The Manager will be primarily responsible for engaging the trainers who will assist with the selection and purchase of suitable horses for the miRunners Scheme, with the intention of each Horse being attached to a Class and racing for the benefit of Unit Holders of that Class.

1.6 Prize money

The primary purpose of the miRunners Scheme is to acquire and race suitable horses both in Australia and possibly also overseas, in an effort to win prize money and enhance their residual value.

The miRunners Scheme Horses will be 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 Registered with ASIC

The miRunners Scheme is a registered managed investment scheme. The Constitution and the Compliance Plan that detail how the miRunners Scheme will be operated and monitored, have been lodged with ASIC.

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 in-use in accordance with the requirements of the Corporations Act 2001. ASIC has no responsibility for the contents of this PDS. This PDS is available electronically via the Manager's website: www.miRunners.com

Investing in the miRunners 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 of this Part 1 and the Class specific risks that can be found in the Part 2.

You should read this PDS (both Part 1 and Part 2) in its entirety before deciding to invest.

2. MIRUNNERS SCHEME AT A GLANCE

The table below provides a summary of key features of the miRunners Scheme:

Feature	Description
What is the Manager's role?	<p>The Manager is responsible for:</p> <p>Communication</p> <p>All communications:</p> <ul style="list-style-type: none"> ➤ with the Unit Holders in the miRunners Scheme ➤ with the trainers of the miRunners Scheme Horses ➤ with all third parties who provide services in relation to the miRunners Scheme Horses <p><i>Important Notice: Unit Holders are not authorised to contact the trainer directly</i></p> <p>Horse Management</p> <ul style="list-style-type: none"> ➤ identifying and acquiring suitable horses for the miRunners Scheme ➤ facilitating the naming of the miRunners Scheme Horses ➤ arranging for the designated trainer to take possession and day-to-day control of each miRunners Scheme Horse for the purpose of: <ul style="list-style-type: none"> • training and racing it to best advantage; • caring for and maintaining it, including (without limitation) providing stabling and ancillary facilities, equipment and gear, feed and supplements; • providing or as the agent of the Manager procuring agistment and pre-training; and • 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 ➤ determining in consultation with the designated trainer of each miRunners Scheme Horse its racing program and also the jockey who will ride it in each of its races ➤ determining when each miRunners Scheme Horse is sold and the most suitable method of sale ➤ ensuring that each miRunners Scheme 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 rehomed

	<p>Arranging mortality insurance cover</p> <p>Physical Events</p> <ul style="list-style-type: none"> ➤ any and all events, such as race day functions, barrier trial attendance and stable visits are the responsibility of the Manager
Who can invest?	Any individual over the age of 18 years and any corporate entity
How do I access your services?	Go to www.miRunners.com or contact 1300 282 941
How much can I invest?	The subscription price for Units and the number of Units which will be made available for each Class will be specified in Part 2 of the PDS
How long can I invest for?	<p>An investor is buying a Unit(s) of a particular Class for the period of the racing career of the specific Horse referable to that Class. The expected period is 3 years (36 months)</p> <p>Successful Horses may race for a longer period and unsuccessful Horses may race for a shorter period</p>
What does miRunners apply my investment money to?	Your application money is applied toward an investment in Units of a particular Class. The money raised in relation to that Class is applied to acquire a specific Horse referable to that Class. Any excess subscription money is retained in the Scheme by the Responsible Entity on behalf of the investor and may be used to meet fees and expenses in connection with the specific Horse referable to that Class and the operation of the Scheme
What return do I receive for my investment?	The objective of the miRunners Scheme is to generate income in the form of any prize money or bonuses earned by the miRunners Scheme Horses. As the prospect of winning races and prize money is entirely speculative, no income projections are made.
When do I receive payments?	The Constitution of the miRunners Scheme contemplates that scheme income will be distributed at least annually. However, the Responsible Entity may distribute more frequently and, subject to the right of the Responsible Entity to retain money on account of the scheme costs and of training and racing the miRunners Scheme Horses, will seek to distribute income generated from prize money at least quarterly.

<p>What fees and charges do I pay?</p>	<p>Each Unit Holder of a Class will pay monthly to the Responsible Entity:</p> <ul style="list-style-type: none"> • a fee of \$11 per month, regardless of the number of Units held, on account of establishment, operating (including management fees payable to the Responsible Entity and the Manager) and compliance costs, excluding the cost of maintaining, training and racing the Horse referable to that Class; and • a fee of \$5 per month, on account of the costs incurred in relation to maintaining, training and racing the Horse referable to that Class.
<p>What happens if I don't pay fees and charges when due?</p>	<p>The Responsible Entity has the right to charge interest or late fees and can sell your Units.</p>
<p>How do I withdraw funds?</p>	<p>The Unit Holders will have no right to require the Responsible Entity to redeem Units or to buy them back at any time during the life of the Scheme. However, Unit Holders may transfer Units to some other person with the approval of the Responsible Entity, at one's discretion.</p>
<p>Are there risks in investing?</p>	<p>Yes, there are a number of risks which may lead you to lose some or all of your investment. It is important that you read and understand each of the risks set out in Section 6 of this Part 1 and the Class specific risks in the Part 2 of this PDS.</p>
<p>What happens at the end of my Horse's racing career?</p>	<p>If deemed of commercial value the Horse will be sold by such means as the Manager considers appropriate, at one's discretion. All net proceeds, after payment of any costs, expenses and liabilities referable to the Class, will be distributed proportionately to the Unit Holders of that Class in the same proportion as the number of Units held bears to the total number of Units of the Class</p>

3. HOW THE MIRUNNERS SCHEME WORKS

3.1 Becoming a Unit Holder in the miRunners Scheme

Applications to become a Unit Holder are made online or via the support centre. Investors should go to www.mirunners.com where they can select the Trainer or Yearling of their preference. Specific information on each yearling and trainer is available to help decide how you wish to invest.

If you decide to invest, read the PDS and fill in the application form. You will be required to enter information to confirm your identity as well as payment information

Applicants 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

The beneficial interest in the miRunners Scheme is divided into Units of different Classes. A new Class will be established for each Horse investment opportunity that is to be made available by the Responsible Entity.

Units issued in each Class are referable to the specific Horse investment made available by the Responsible Entity. The Responsible Entity will use the money raised by the issuing of Units of a particular Class to acquire a specific miRunners Scheme Horse referable to that Class.

The Manager will then appoint the trainer and procure the services of other third parties to care for, train and race the specific miRunners Scheme Horse referable to that particular Class to best advantage for the benefit of the Unit Holders of that Class.

The Unit Holders of each Class are required to pay the costs of operating the Scheme, and of caring for, training and racing the Horse referable to that particular Class.

Accordingly, if a Unit Holder buys a Unit in a particular Class, the Unit Holder gets exposure to the profits and losses of the particular Horse referable to that Class. The Unit Holder will not receive returns that are generated from another Horse which may be owned by the Scheme but referable to another Class of Units.

3.3 Trainers

Trainers who meet the eligibility criteria can participate in the miRunners Scheme. There are three key criteria.

1. Have a track record that demonstrates success at training thoroughbred horses
2. Demonstrate an ability to provide a quality ownership experience including the use of the miStable reporting software to provide visual owner reports
3. Adhere to the miRunners Trainer Agreement

3.4 Insurance

Each miRunners Scheme Horse will initially be insured for its purchase price against all risks of mortality. Each miRunners horse will also be insured for the minimum available lifesaving procedures

These initial insurance costs have been included in the fixed monthly fees

3.5 How to keep track of your investment

Using your miRunners unique identifier on the miRunners digital platform the investor will receive regular reports from miRunners and your trainer in the form of video, audio and text.

3.6 Code of conduct

The Manager and the Responsible Entity want to make ownership a pleasurable experience for all of its Unit Holders. All Unit Holders are governed by the Australian Rules of Racing and are expected to act in the best interest of racing, the miRunners Scheme Horses and all parties associated with the miRunners Scheme. A copy of the Rules of Racing can be obtained from the Racing Australia Limited website: www.racingaustralia.com.

4. MANAGER AND OTHER THIRD-PARTY SERVICE PROVIDERS

4.1 Manager

MIRUNNERS AUSTRALIA LIMITED (ABN 22 165 575 226) is the Manager responsible for the day to day running of the miRunners Scheme.

The Manager is a subsidiary of 99 SPORTS PTY LIMITED (ABN 17 139 338 051), which is in the business of providing communications systems within the thoroughbred horse racing industry between breeders, trainers and owners.

The Manager operates as an authorised representative (AFS Representative Number 223671) of the Responsible Entity in relation to the financial services that it provides in connection with the miRunners Scheme.

4.2 Directors of the Manager

The directors of the Manager are MESSRS STEVEN BROWN and SCOTT TAYLOR. A brief summary of the experience of each director is provided below, noting this is correct at the time of writing:

Steven Brown

Mr Brown is a director and co-founder of MIRUNNERS AUSTRALIA LIMITED and a director of 99SPORTS PTY LTD. He is also the owner of Kitchwin Hills Stud at Scone in the Hunter Valley, giving him significant experience in the ownership and management of thoroughbred horses.

Mr Brown also has twenty years of experience in financial markets including Bankers Trust, JP Morgan and Citigroup.

Scott Taylor

Mr Taylor is CTO of Adcock PE. He holds a Bachelor of Information Technology with 20 years of experience in emerging technology frontiers, including 14 years at Telstra managing major application product teams within mobility and cloud domains.

Prior to Telstra, Mr Taylor spent many years performing technology consultancy for PWC, IBM, GSA and BHP.

4.3 Other information in relation to the Manager

The Manager has developed and operates its own proprietary communications software platform and integrates it into the platform of its associated entity 99 SPORTS PTY LTD. This allows for seamless messaging between trainers and the mobile devices of owners.

5. WHAT ARE THE BENEFITS OF INVESTING IN THE SCHEME?

Investing in the miRunners 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.

Significant benefits	Description
Participation in Horse racing	<p>An investment in the miRunners Scheme allows you to participate indirectly in the Horse racing industry.</p> <p>The miRunners Scheme will be professionally managed on behalf of the Unit Holders. The Manager will work closely with the miRunners trainers to ensure the miRunners Scheme Horses are exposed to high quality racing programs, jockeys and other important career management decisions.</p> <p>As a Unit Holder in the miRunners Scheme you will receive at least the same level of communication from the trainer of your miRunners Scheme Horse(s) as your trainer provides directly to the owners of other horses.</p> <p>The trainer of your miRunners Scheme Horse is expected to provide video, voice and photo updates on a regular basis to your chosen digital platform with your unique miRunners identifier.</p> <p>The Manager has a service level agreement with the trainer of your miRunners Scheme Horse 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 won by your miRunners Scheme Horse (subject to the Responsible Entity's right to retain money to meet Scheme and Horse fees and expenses) will be distributed to the Unit Holders of the Class to which the Horse is referable in the same proportion as the number of Units held bears to the total number of Units of that Class.</p> <p>All prize money and other winnings will be subject to Racing Australia guidelines, including but not limited to the trainer, jockey and strapper fund collections.</p>
Other ownership rights	<p>An investment in the miRunners Scheme will afford you the opportunity to experience other owners benefits, including:</p> <ul style="list-style-type: none"> • (naming rights) the Unit Holders of a particular Class will have the opportunity to make a nomination on the naming of the specific miRunners Scheme Horse referable to that particular Class. A democratic voting system will then decide on the winning name. • (enclosure ticketing) Race clubs allocate a number of racecourse and mounting enclosure tickets to the owners of each horse on race days. The Manager may retain no more than 2 such tickets for its own use, and ballot the remaining tickets amongst the other Unit

	<p>Holders, of the Class to which the Horse is referable, intending to attend the race day and negotiate with various tracks with respect to any additional benefits and access.</p>
<p>Capital proceeds</p>	<p>Each miRunners Scheme Horse of commercial value will be sold at the conclusion of its racing career by such means as the Manager considers is appropriate, at the Manager's discretion.</p> <p>A miRunners Scheme Horse, or an interest in such Horse, may be also sold during its racing career if the Manager considers this to be in the best interests of the Unit Holders of the particular Class to which the specific miRunners Scheme Horse is referable.</p> <p>Net proceeds (sale price less selling costs and other allowable payments to the Manager and other parties) will be distributed to the Unit Holders of the Class to which the Horse is referable in the same proportion as the Units held bears to the total number of Units of that Class.</p>

6. WHAT ARE THE RISKS OF INVESTING IN THE SCHEME?

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. The likely investment return and the risk of losing money are different for every investment. Assets with the highest long-term returns may also carry the highest level of short-term risk.

The risks outlined in Section 6.1 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. So that your personal circumstances can be considered, it is recommended that you:

- (a) read the whole of this PDS (both Part 1 and Part 2) to fully appreciate these matters;
- (b) think about your tolerance to risk and how the potential investment risks of this miRunners Scheme may affect you; and
- (c) seek your own legal, financial and tax advice before deciding to invest.

Investment in thoroughbred Horses must be considered to be of a speculative nature.

Please note that there are additional risks which are relevant to a decision to invest in a particular Class of Units. Those risks can be found in the risk section in Part 2 of the PDS. You should read those risks before making a decision to invest in the Scheme.

6.1 miRunners Scheme specific risks

- (a) **(Dependence on the Manager)** The Responsible Entity has engaged the Manager to manage the day-to-day operation of the miRunners Scheme. The Manager is contractually obliged to continue acting as the Manager and if it fails to do so, then the Responsible Entity has the right to appoint an alternate third-party manager. There are risks attached to the Responsible Entity's dependence on the Manager, including:
 - (i) reliance on the skill and expertise of the Manager to acquire, manage, maintain and market the miRunners Scheme Horses, as well as the manner in which these functions are carried out;
 - (ii) the way in which the Manager selects the miRunners Scheme Horses and then manages them for the miRunners Scheme Unit Holders; and
 - (iii) changes in the personnel of the Manager which may reduce its skill level in managing the miRunners Scheme Horses.
- (b) **(Dependence on the third-party service providers)** The Manager will engage the services of various third party service providers to provide services in relation to the operation of the miRunners 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.
- (c) **(Dependence on payment of costs)** The cash flow required for the effective operation of the miRunners Scheme is dependent upon Unit Holders of each Class paying their periodic Class dues and Special Class Levies when required. If a substantial number of Unit Holders of a particular Class fail to pay their periodic Class dues or Special Class Levies, the miRunners Scheme may have inadequate funds to function and particularly, may be unable to pay the costs associated with the maintenance of the Horse referable to that Class. The Constitution empowers the Responsible Entity to forfeit and sell the Unit(s) of any Unit Holder who fails to pay amounts due. Alternatively, the scheme can be wound up if inadequate funds are substantial.

- (d) (**Forfeiture**) You will be in default if you fail to pay an amount when due and payable. If you are in default, then the Responsible Entity may:
- (i) accelerate any remaining payments which are payable by you;
 - (ii) impose late fees on you;
 - (iii) charge interest on any outstanding amount owing to the Responsible Entity which accrues daily;
 - (iv) forfeit your Units to the Responsible Entity who may sell them and retain so much of the proceeds as is necessary to pay for among other things, the costs of sale and administration arising from forfeiture, and any amounts which you owe in relation to your Units to the miRunners Scheme.

The Responsible Entity may bring an action against a Unit Holder to collect all amounts due, including interest, late charges and costs. In the event Units are owned by more than one person or entity, such holders are jointly and severally liable for all amounts due and payable in relation to those Units. The Responsible Entity is not obligated to sell the Units within any particular amount of time and in any event may be unable to do so. The liability for ongoing costs associated with the ownership of Units may not be avoided by abandoning those Units.

- (e) (**Industry conditions**) 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:
- (i) variability in the level of demand for related thoroughbred horses and thoroughbred horses of equivalent calibre both at public auction and by private treaty;
 - (ii) variability in the level of supply of related thoroughbred horses and thoroughbred horses of equivalent calibre both at public auction and by private treaty; or
 - (iii) 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.
 - (iv) 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 a miRunners Scheme 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 of time when you are still required to pay the costs associated with the maintenance and welfare of the Horse.
- (f) (**Illiquid investment**) Your Units in the miRunners Scheme will be illiquid and they are not traded on any market. Your investment may only end when the Horse dies or is sold.
- (g) (**Asset nature**) The lack of diversity in the nature of the assets of the miRunners Scheme may not suit your investment needs.
- (h) (**Technology**) The ownership experience has a high digital component. There is a risk that the technology platform used to deliver unique personal reports from trainers, fails.

6.2 General risks

- (a) (**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).

- (b) (**Inflation**) Your investment in the miRunners Scheme may not keep pace with inflation.
- (c) (**Economic downturn**) The miRunners Scheme will be exposed to the direct and indirect consequences of changes in the state of the economy generally, including inflation risks, interest rates, market and investment sentiment and other changes in the economic factors that affect a particular industry or market sector, as well as other factors over which the Responsible Entity has no control.
- (d) (**Force majeure**) A force majeure is an unexpected event such as war, a criminal act or a natural disaster results in one or more parties to a contract being unable to fulfil their obligations. A force majeure event could be significant enough to impact the business of the miRunners Scheme and cause Unit Holders to suffer higher than anticipated financial loss.
- (e) (**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 miRunners Scheme and changes in State or Federal Government policy may occur during the time that you are a Unit Holder.
- (f) (**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 time period.

7. COMMONLY ASKED QUESTIONS

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

Question	Answer
Trophies/Race Day memorabilia	All trophies won by a Horse referable to a particular Class may be auctioned amongst the Unit Holders of that Class, with the proceeds raised from such auction to be Donated to an industry charity
Horse Welfare	miRunners 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.
Trainer Updates	<p>As a Unit Holder in the miRunners Scheme you will receive via the Manager at least the same level of communication from the trainer of your miRunners Scheme Horse as is normally provided by the trainer directly to the owners of other horses.</p> <p>Trainers are expected to provide video, voice and photo updates on a regular basis.</p> <p>The Manager has a service level agreement with each of its trainers and will be constantly monitoring the level of communication to Unit Holders</p>
Naming Process	<p>All Unit Holders of a particular Class will have the opportunity to make a nomination on the naming of the Horse referable to that Class. A democratic voting system will then decide on the winning name.</p> <p>Only owners can vote on the final name for the horse</p>
Enclosure Ticketing	<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 2 tickets and ballot the remaining tickets amongst the other Unit Holders of the Class to which the Horse is referable who attend the race day.</p>

<p>Monthly costs</p>	<p>The Unit Holders of a particular Class commit upon acquisition of a specific miRunners Scheme Horse referable to that Class to pay their proportion of all costs of caring for, training and racing the Horse, including (without limitation) agistment, pre-training and training fees, race entry fees (nomination and acceptance), chiropractic, dentistry, farriery and veterinary fees, and transportation costs, and all fees and charges payable or reimbursable to the Responsible Entity. The Responsible Entity will monitor costs independently on behalf of Unit Holders.</p> <p>If a Unit Holder’s payment defaults in relation to the payment to the Responsible Entity of any amount on account of Periodic Class dues or Special Class Levies, the unit holder will have a full calendar month to pay the amount owing. If the amount is then still not paid, the Responsible Entity has the right to charge interest, to sell the Unit Holder’s Units, and to deduct outstanding amounts before any surplus (if any) is paid out</p>
<p>Wind Up</p>	<p>The Manager will be responsible for managing the miRunners Scheme Horses. At the forefront of the Manager’s objectives will be the welfare of the Horses and the best interests of the Unit Holders.</p> <p>If the Manager determines that racing, or continuing to race, a particular miRunners Scheme Horse is not in the interests of the Horse itself or Unit Holders of the particular Class to which the specific Horse is referable, then the Horse will either be sold, or if it is considered to be of no significant commercial value, retired.</p>
<p>Manager</p>	<p>The Manager will work closely with the respective trainers to ensure that all of the miRunners Scheme Horses are 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 each of the MiRunners Scheme Horses.</p>
<p>Trainer contact</p>	<p>Unit Holders are prohibited from contacting the trainers directly.</p> <p>Questions regarding your miRunners Scheme Horse should be directed to the Manager at support@miRunners.com or using the contact functionality on the website.</p>
<p>Code of conduct</p>	<p>The Manager wants to make ownership a pleasurable experience for all Unit Holders. As a Unit Holder in the miRunners Scheme you must at all times comply with the Rules of Racing and act in the best interests of racing and the miRunners Scheme.</p>

Colours	All miRunners Scheme Horses will race in the Manager's miRunners Scheme colours except in the instance of a Community horse where the Community will design the racing colours
Proceeds	All net proceeds from the sale of each miRunners Scheme Horse will be distributed to the Unit Holders of the particular Class to which the Horse is referable in the same proportion as the number of Units held bears to the total number of Units of that Class.
Transparency	<p>The miRunners Scheme wishes to earn a reputation for transparency and trust.</p> <p>All Horses acquired must adhere to the Manager's "Horse Acquisition Policy". No mark-ups of the purchase price will be allowed. Further, any trainer who is part of the decision to acquire a Horse for the miRunners Scheme must warrant to the Manager that the trainer has not received any incentive from the vendor to purchase the Horse and that no other conflicts of interest exist.</p> <p>When a miRunners Scheme Horse is retired from racing, the Manager will assess if it has a significant commercial value. If it is considered that that the Horse does have a significant commercial value, then it must be sold.</p> <p>Periodic Class Dues and Special Class Levies will indicate a breakdown of fees and expenses so that each Unit Holder is aware of how money is being applied.</p>
Insurance	The Manager will procure mortality insurance cover for each of the miRunners Scheme Horses for an initial amount equal to its purchase price. The Unit Holders of the particular Class to which the Horse is referable will each be liable to pay a proportion of the premium and will be entitled to receive a proportion of the net proceeds paid in the event of a claim, in the same proportion as the number of Units held bears to the total number of Units of that Class.

8. FEES AND OTHER COSTS

The Part 2 of this PDS contains information about the 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 miRunners Scheme as a whole.

9. TAXATION

For most Unit Holders the annual income distributions of the miRunners Scheme will be assessable income.

Acquiring, holding and disposing of Units in the miRunners 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.

Income tax

The miRunners Scheme will not generally pay income tax as all taxable 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 need to include in your taxable income for the financial year any taxable income distributed to you even if payment is not received in that year.

Withholding tax

If you are a non-resident of Australia for taxation purposes, the applicable withholding tax will be deducted.

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.

The Responsible Entity is not an expert in taxation and Unit Holders are advised to consult their professional advisers as to the income tax consequences of investing in the miRunners Scheme and in relation any changes in the taxation law and practice which may occur subsequent to the date of this PDS.

10. ADDITIONAL INFORMATION

10.1 Constitution of the miRunners Scheme

The miRunners 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 rights of Unit Holders of a Class to receive miRunners Scheme income, by reference to the income received by the Responsible Entity from the Horse referable to that particular Class;
- (c) Unit Holder meetings (a resolution may bind a Unit Holder, regardless of how or whether the Unit Holder voted);
- (d) the circumstances in which the Responsible Entity is and is not liable to the Unit Holders;
- (e) the Responsible Entity's rights, powers and entitlement to fees and expenses;
- (f) the Responsible Entity's right of indemnification out of the assets of the miRunners Scheme for all costs incurred by it in relation to the operation of the scheme (subject to the proper performance of its duties);
- (g) the circumstances in which the Responsible Entity can terminate a Class of Units or the miRunners Scheme as a whole; and
- (h) when the Responsible Entity can retire.

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 Plan

The Responsible Entity has compiled a Compliance Plan for the miRunners Scheme 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.

10.3 Material contracts

- (a) Management agreement

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

- (i) to select and acquire suitable horses for the miRunners Scheme; and
- (ii) to manage the day-to-day operation of the miRunners Scheme, including each of the miRunners Scheme Horses, on behalf of the Responsible Entity.

The Responsible Entity must pay to the Manager, as remuneration for providing the services in accordance with the Management Agreement, an amount (plus GST) equal to the balance of the \$10 Monthly Fee payable by each Unit Holder considered surplus to the amount required to be retained by the Responsible Entity on account of its fee and the expenses of operating the miRunners Scheme.

The Management Agreement may be terminated by either party with the approval of the Unit Holders (evidenced by an Extraordinary Resolution).

(b) Other material agreements

The Manager will enter into a Training Agreement with the trainer of each MiRunners Scheme Horse.

10.4 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 of the Class 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.
- (d) the Annual Financial Report for the miRunners 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.

10.5 Continuous disclosure

As a disclosing entity, the miRunners Scheme is subject to certain reporting and disclosure obligations under the Corporations Act. The Responsible Entity will meet our continuous disclosure obligations by publishing material information on the miRunners website www.mirunners.com in accordance with the requirements of ASIC policy. Copies of the documents lodged with ASIC in relation to the miRunners Scheme may be obtained from, or inspected at, an ASIC office. You have a right to obtain a copy of the following documents from us at no charge to you:

- (a) the latest Annual Financial Report lodged with ASIC;
- (b) any half-yearly report for the miRunners Scheme lodged with ASIC after the lodgement of the Annual Financial Report (and before the date of this PDS); and
- (c) any continuous disclosure notices given by the miRunners Scheme after lodgement of the Annual Financial Report (and before the date of this PDS).

10.6 Cooling off

If you are a "retail client" (as defined under the Corporations Act) investing directly in the MiRunners 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:

- the day we give you a transaction confirmation; or

- 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:

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

10.7 Complaints

If you have any concerns or complaints, please contact the Manager at email: support@miRunners.com, or on 1300 282 941. The Manager will acknowledge receipt of your complaint and attempt to resolve it as soon as practicable.

Alternately, you may contact the Responsible Entity at advisory@sirecustodians.com.au. The Responsible Entity is a member of the Financial Ombudsman Service (FOS) (member number 11316), which is an external dispute resolution scheme. If you are not satisfied with the response to your complaint, you are entitled to take your complaint to them. The FOS can be contacted at info@fos.org.au or on 1300 780 808. FOS operations are governed by published Terms of Reference, which are available at www.fos.org.au.

10.8 Directors' authorisation

The directors 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 11 April 2019.

10.9 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 underlying investment, 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.

10.10 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 AML/CTF Rules before it can issue Units to Applicants.

Customer identification information may include detailed know your customer (**KYC**) information in relation to the Applicant such as, for an individual Applicant, name, address, and date of birth and for an Applicant that is a business entity, details of directors and beneficial owners, and where the Applicant 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 Applicants and from time to time may require an Applicant to provide updated or additional information.

The Responsible Entity may refuse to accept an application or decline to issue Units to an Applicant until it has satisfactorily concluded a customer identification procedure in relation to the Applicant.

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 Applicant if it does so.

10.11 Payments to related parties

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

10.12 Documents available for inspection

The following documents are available for inspection during normal business hours at the registered office of the Responsible Entity:

- (a) the Constitution of the miRunners Racing No 1; and
- (b) the Compliance Plan for the miRunners Racing No 1.

11. HOW TO APPLY

You should read Part 1 and Part 2 of this PDS. 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 www.miRunners.com. You will need to complete the application 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 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 the application money will be refunded.

12. GLOSSARY

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

\$ or A\$	Australian dollars
AML/CTF Act	<i>Anti-Money Laundering/Counter-Terrorism Financing Act 2006</i> (Cth)
Applicant	A person who submits an Application Form
Application Form	The application form which accompanies this PDS (and includes a copy of the application form printed from the website at which the electronic PDS is located) under which an applicant may apply for Units
ARSN	Australian Registered Scheme Number
ASIC	Australian Securities and Investments Commission
Board or Board of Directors	The board of directors of the Responsible Entity
Compliance Plan	The Compliance Plan of the miRunners Platform as amended from time to time
Constitution	The Constitution of the miRunners Scheme (ARSN 615 110 711) as amended from time to time
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Directors	The directors of the Responsible Entity
Horse	A thoroughbred Horse that will be trained for racing, which is acquired outright by the miRunners Scheme, the benefits from which will flow to a Class of Unit Holders under the Scheme
KYC	know your customer
Manager	miRunners Australia Limited (ABN 22 165 575 226)
MIS	Managed Investment Scheme
PDS	This document
Responsible Entity	Sire Custodians Ltd (ABN 45 005 088 371)
miRunners Scheme	miRunners Racing No.1 (ARSN 615 110 711)
TFN	Tax File Number
Unit	A Unit in the miRunners Scheme
Unit Holder	A person whose name is entered in the register of members of the miRunners Scheme as holding a Unit at the relevant time

13. CORPORATE DIRECTORY

MANAGER

miRunners Australia Limited ABN 22 165 575 26
AFSL Authorised Representative Number: 001248648
Address: Suite 2, Level 2 37-39, The Corso MANLY, NSW, 2095 AUSTRALIA
Telephone: +61 1300 282 941

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
Suite 203, Level 2, 66 Berry Street NORTH SYDNEY, NSW, 2060 AUSTRALIA
Telephone: +61 2 9235 2500

Taxation Advisor

Carrazzo Consulting Pty Ltd
Address: 801 Glenferrie Road HAWTHORN, VIC, 3122 AUSTRALIA
Telephone: +61 3 9982 1000

This page has been left blank intentionally

miRunners Racing No.1 – Part 2 Product Disclosure Statement

ARSN 615 110 711

Dated: 11 April 2019

**This Product Disclosure Statement is provided in two parts:
Part 1 – miRunners Racing No 1 General Information
Part 2 – miRunners Racing No 1 Trainer specific information**

**Part 2 of this Product Disclosure Statement includes specific information
regarding:
Class L Units – miRunners Scheme Horse to be trained by Lindsay Park Racing**

You should read both Part 1 and Part 2 carefully before making a decision to invest. If you have not received both Parts, please contact miRunners Australia Limited.

Manager
miRunners Australia Limited
AFS Representative Number 001248648
Address: Suite 2, Level 2
37-39, The Corso
MANLY NSW 2095
Telephone: 1300 282 941

Responsible Entity
Sire Custodians Ltd
AFSL 223671
Address: Suite 203, Level 2
66 Berry Street
NORTH SYDNEY NSW 2060
Telephone: 02 9235 2500

1 THIS PART 2 OF THE PRODUCT DISCLOSURE STATEMENT (PDS) FOR THE MIRUNNERS RACING NO 1 (ARSN 615 110 711) RELATES SPECIFICALLY TO THE OFFER OF CLASS L UNITS.

It is important that you read the document that is Part 1 of this PDS in its entirety and understand it before proceeding to read this Part 2, as an investment in the Class L Units the subject of this Part 2 is also be subject to all of the information disclosed in Part 1.

If you have any queries relating to aspects of this Part 2 document please email support@miRunners.com

1.1 What opportunity is unique to the offer of Class L Units in the miRunners Scheme?

The Manager, in consultation with licensed trainer DAVID HAYES of LINDSAY PARK RACING PTY LTD (ABN 75 114 673 406) of 71 Bartons Lane, Creightons Creek, Victoria, 3666 (**Trainer**), has acquired the Horse the subject of this PDS ("**the Horse**") at the Inglis Easter Yearling Sale on 9th April 2019 specifically for the miRunners Scheme.

The Horse has been acquired by the Manager, as principal, pending the Minimum Overall Subscription Amount for the Class L Units being achieved.

Upon the Minimum Overall Subscription Amount for the Class L Units being achieved by the Offer closing date (6 months from the date of the PDS, or such earlier date as may be determined by the Responsible Entity ("Offer closing date"), the Responsible Entity will apply the application moneys towards paying the sale price of the Horse, and by so doing acquire the legal and beneficial title to the Horse for the miRunners Scheme, referable to the Class L Units.

Details of the Horse and seller are as follows:

- a brown colt foaled 26 September by HINCHINBROOK from GAZE(NZ)
- sale price: \$290,000,
- the Horse was offered as Lot 27 by Sledmere Stud (as agent), of Scone New South Wales

Prior to bidding on the Horse at the auction:

- (a) the Manager and the Trainer each inspected the Horse and considered it to be in good condition and suitable for purchase as a prospective racehorse; and
- (b) the Manager retained equine veterinarian CHARLIE MCCORMACK, BVSc MACVS Principal of GOLD COAST EQUINE CLINIC (**Veterinarian**), to examine the Horse, who subsequently provided a report evidencing that he considered it to be in good physical condition and suitable for purchase as a prospective racehorse.

1.2 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 Promoter 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.

1.3 Cost of the Units

As above, it is proposed that:

- (a) 1,000 Class L Units in the miRunners Scheme will be issued by the Responsible Entity;
- (b) the Minimum Overall Subscription Amount is \$290,000; and
- (c) the Application Price per Unit payable by each applicant when applying for a Class L Unit or Units is \$290.

The Application Price per Unit is payable by each applicant when applying for a Class L Unit or Units which will be applied by the Responsible Entity towards the Sale Price of the Horse to be acquired for the miRunners Scheme and referable to that Class.

1.4 What happens if the Trainer is unavailable?

The Manager and the Trainer have agreed that the Trainer will train the Horse for the miRunners 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 miRunners Scheme, then the Manager will appoint a new trainer.

1.5 What happens if insufficient money is raised?

If the Minimum Overall Subscription Amount of \$290,000 is not achieved on or before the Offer closing date, then the Class L Units will not issue, and Applicants will receive a refund of the applications moneys they have paid for those Units. If this occurs, Applicants for the Class L Units will not acquire any interest in the legal or beneficial title to the Horse.

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

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

1.6 Specific Class L Risks

The risks outlined in this section 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. So that your personal circumstances can be considered, it is recommended that you:

- (a) read the whole of this PDS (both Part 1 and Part 2) to fully appreciate these matters;
- (b) think about your tolerance to risk and how the potential investment risks of this miRunners Scheme may affect you; and
- (c) seek your own legal, financial and tax advice before deciding to invest.

Investment in thoroughbred racehorses must be considered to be of a speculative nature.

Please note that there are additional risks which are relevant to a decision to invest in Class L Units in the miRunners Scheme being offered by this PDS, including (without limitation):

- (a) that not enough money is raised; and
- (b) that the Trainer does not do a good job managing the Horse, including maintaining, training and racing it to best advantage.

(Risks associated with Horses) Risks specifically associated with the Horse include (without limitation):

- (1) there is no guarantee
 - (a) as to when the Horse will commence racing;
 - (b) that the Horse:
 - (i) will have the ability to win any races or prize money;
 - (ii) will have any significant residual value either at any time during or at the end of its racing career; or
 - (iii) if a colt, will not require gelding in an attempt to enhance racing performance, as most colts require gelding;
- (2) the value of the Horse is likely to fluctuate while it is owned by the miRunners Scheme and will be affected by market forces, its race performances, and its suitability for breeding at the end of its racing career; and
- (3) the Horse may die or its suitability for racing or subsequently for breeding may be diminished or lost as a consequence of physical value be diminished by market forces or the materialization of an inherent risk, including (without limitation) accident, illness, infertility or sub-fertility, injury, or natural cause, or its failure to compete in or win any races or prize money.

(Costs payable by the Class L Unit Holders regardless of whether or not the Horse referable to that class is successful)

- (1) The Class L Unit Holders will incur a proportion of the costs of operating the miRunners Scheme, and the fees and expenses of caring for, training and racing the Horse referable to the Class L Units, regardless of whether or not the Horse progresses to competing in, or winning, any races or prize money.
- (2) All Unit Holders have a proprietary interest in all of the miRunners Scheme property, and the Responsible Entity has a right of indemnity for operating the miRunners Scheme from all of the miRunners Scheme Property, subject to the proper performance of the Responsible Entity's duties.
- (3) Only Class L Unit Holders:
 - (a) will benefit from the performance of the miRunners Horse referable to the Class L Units; and
 - (b) will be liable to pay the expenses of the Horse referable to the Class L Units.

2 FEES AND COSTS

All amounts in this section include, where applicable, GST less any reduced inputs tax credits and stamp duty.

2.1 Consumer Advisory Warning

The Corporations Act requires the Responsible Entity to include the following standard consumer advisory warning in this PDS. The information in the consumer advisory warning is standard across Product Disclosure Statements and is not specific to information on fees and other costs associated with an investment in the miRunners Scheme.

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 contribution fees and management costs where applicable. 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) website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

2.2 Fees and other costs

This document 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 miRunners Scheme as a whole.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the miRunners Scheme		
<i>Establishment fee</i> The fee to open your investment	Not applicable	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Not applicable	Not applicable
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Not applicable	Not applicable
<i>Exit fee</i> The fee to close your investment	Not applicable	Not applicable

Type of fee or cost	Amount	How and when paid
Management costs¹		
The fees and costs for managing your investment		
<i>Administration Insurance and Management Costs</i> Scheme levy – these are the fees and costs of operating the miRunners Scheme. They include administration and other fees charged by the Responsible Entity and the Manager, distribution costs and other expenses incurred in operating the miRunners Scheme.	\$132 per Unit Holder per annum in respect of the first unit only per annum (i.e. regardless of the number of units held)	Monthly fee of \$11 payable by direct debit by Unit Holders
Additional costs		
Horse related costs, being the fees and charges incurred in caring for, training and racing the Horse	\$60 per Unit per annum	Monthly fee of \$5 payable by direct debit by Unit Holders
Costs payable on sale or retirement of the Horse		
<i>Performance fee</i> <ul style="list-style-type: none"> Performance fee payable to the Manager 	A performance fee equal to 15% of the net profit earned by the Unit Holders of the Class L from their investment in the miRunners Scheme upon the sale of the Horse and the termination of the Class	Payable upon the sale of the Horse referable to the Class L Units and the cancellation of the Class L Units
<ul style="list-style-type: none"> Additional remuneration and gratuities payable to the Trainer 	The Trainer's terms and conditions of training provide for the Trainer to be paid and receive the following additional remuneration and gratuities: (a) if the Horse [being other than a colt or entire to which (b) applies] is sold for a profit, 5% plus GST of the amount by which the sale price is more than the initial purchase price (excluding GST); or (b) if the Horse [being a colt or entire] is sold or retired to stud, 5% plus GST of the sale price or agreed value (excluding GST), plus 1 Lifetime Service Rights.	Payable upon the sale or retirement to stud of the miRunners Horse referable to the Class L Units
Service fees		
<i>Investment switching fee</i> The fee for changing investment options	Not applicable	Not applicable

¹ Note that these costs are estimates of the fees and costs that the Responsible Entity considers will arise in relation to the Scheme. Further information in relation to the Management Costs can be found in section 2.4

2.3 Example of fees and costs

This table gives an example of how the fees and costs of the Class L Units can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

EXAMPLE	BALANCE OF \$290		
	Monthly fees		Annual fees
	Per Holder (regardless of the number of Units held)	Unit (regardless of the number of Units held)	Per 1 Class L Units (\$5 per unit)
If you acquire \$290 of Class L Units in the miRunners Scheme (ie 1 unit), you will be required to contribute the following during each year			
Scheme levy on account of scheme operating and compliance costs, including management fees payable to the Responsible Entity and the Manager, excluding Horse related costs	\$11	-	\$132
PLUS Horse related costs	-	\$5.00	\$60.00
EQUALS COST OF CLASS L UNITS			\$192.00

2.4 Additional explanation of fees and costs

Unit Holders will be required to make payments in respect of the fees and costs set out in this section to the miRunners Scheme. In some cases, it is not possible to accurately forecast the following fees and costs. The estimate of fees and costs does not include any extraordinary race entry fees, surgery or extraordinary veterinary expenses. All miRunners horses have been insured for both injury and all risks of mortality

Periodic Class Dues and Special Class levies – (Monthly Fees payable)

1. \$11 monthly fee to cover the fees payable to the Responsible Entity and the Manager for operating the miRunners Scheme, including the operating and compliance costs of the miRunners Scheme referable to the Class L Units and payable by the Unit Holders of that Class; and
2. \$5 monthly fee for horse related costs, being the fees and charges incurred in caring for, training and racing the Horse

Other costs

There may be other fees and costs payable in relation to the Scheme and Class L from time to time. The Manager will pay these fees and costs, which may include:

- (a) ASIC annual return lodgement fees;
- (b) professional indemnity insurance;
- (c) establishment costs in relation to Class L, including production of PDS in relation to Class L Units, provision of trust account for receiving of application monies and levies, issuing of Units and establishing Unit register for the Class;
- (d) fees and costs payable in relation to Class L, including management fee, accounting, administration and secretarial, audit servicing, and external auditors (financial and compliance);

- (e) fees and costs payable in relation to the Scheme, including management fee, accounting, administration and secretarial, audit servicing, and external auditors (financial and compliance); and
- (f) preparation and lodgement of tax returns.

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 \$25,000 and \$27,000.

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.

Multiple Units

Unit Holders may acquire a maximum of twenty (20) Class L Units. Examples of the financial payments required to be made by Unitholders, depending upon the number of Units acquired, is as follows:

Number of Class L Units	Description of monthly fees		Total monthly fees	Total annual fees
	Scheme levy (payable per Unit Holder regardless of the number of Units held)	Horse related costs (payable per Unit)		
1 Unit	\$11	\$5	\$15	\$192
5 Units	\$11	\$25	\$35	\$432
10 Units	\$11	\$50	\$60	\$732

ESTIMATE OF TOTAL HORSE RELATED ANNUAL FEES AND EXPENSES PAYABLE BY CLASS F UNIT HOLDERS:

	Total for Class (per annum)	Total per Unit (per annum)
Mortality insurance (including stamp duty)	\$ 6,458	
Estimate of Horse related fees and expenses, including (without limitation) maintaining, training and racing costs	\$50,000	
Total	\$56,458	\$56.46

*Note:** each Unit Holder of Class L Units will be levied monthly for one's proportion of actual fees and costs, in the same proportion as the number of Class L Units held bears to the total number of Units of that Class.*

Maximums and waivers

The Responsible Entity may waive any of its fees and costs in whole or in part.

Fee changes

The Responsible Entity may cease any waiver of fees to which it is entitled. The Responsible Entity may also increase its fees within the maximum limits provided in the Constitution.

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 Practicing Accountants	Taxation Advisors	General summary of the current taxation legislation set out in section 10 of this Part 1 of the 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
miRunners Australia Limited	Manager	Consent to act. Provision of underwriting agreement in relation to the payment of any shortfall between the \$120 payable by each Class L Unitholder per annum (regardless of the number of Units held) and the total amount of miRunners Scheme fees and expenses payable by Class L Unitholders
Lindsay Park Racing	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:

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