

Target Market Determination

Product details

Financial product	I Class interests in the Fund (Product)
Fund	BTX Managed Investment Scheme No 1 (Fund)
ARSN	658 585 589
Issuer of Product	Sire Custodians Ltd (ABN 45 005 088 371, AFSL no. 223671) (Issuer)
Investment manager of the Fund	BTX Racing Pty Ltd (ABN 24 654 990 217, AFS Representative Number 001297824) (Manager)
Broodmare	'Prosecution, Deserved, Don't Tell The Boss, Behaviourism, Flandersrain (2 year lease right) (Broodmare)
Breeder	The Breeders of the Broodmare are Blue Gum Farm (Breeder)
Date of TMD	5 July 2023

Target market

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

s 994B(5)(b)

Product description including key attributes

RG 274.68(b)

Objective

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

- To participate in owning and breeding a particular thoroughbred broodmare which is managed by particular breeders(s).
- To spread the costs and risks of owning and breeding a broodmare with other investors in the syndicate, rather than seeking to retain full ownership and control of the broodmare.
- To make a passive investment in a broodmare by leaving the management and day-to-day control of the horse to another person.
- Potentially, to share in the sales

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

Legally, the Product is an interest in a managed investment scheme registered with the Australian Securities and Investments Commission structured as a non-unitised trust. The legal owner of the Broodmare is the Issuer in its capacity as responsible entity of the Fund. The Issuer has appointed the Manager to manage the Scheme on a day-to-day basis, and to exercise its rights (as an agent of the Responsible Entity) in respect of the Broodmare in accordance with the relevant co-owners' agreement. The Broodmare is managed by the Breeder.

The Product has the following key attributes:

- The Product is a class of interests in the Fund, the assets and liabilities of which are referable to the Broodmare.

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- proceeds of the future foal sales.
 - Potentially, to access capital growth from selling the broodmare.
 - A class of interests in the Fund do not constitute a separate trust. The Issuer, as responsible entity of the Fund, may acquire other Broodmares, which will be held primarily for the benefit of holders of interests in another class in the Fund.
 - The costs associated with the acquisition, maintenance and Breeding of the Broodmare are generally funded by levies paid by Fund investors in the relevant class. Levies are charged up-front by the Responsible Entity and paid by investors as part of their subscription moneys.
 - Any net sales proceeds earned by the Broodmare are distributed to Fund investors holding interests in the Product in accordance with their respective proportional ownership of interests in that class.
 - The Broodmare may be sold at any time if the Manager considers it to be in the interests of investors of the relevant class, and the net proceeds distributed to Fund investors in the relevant class. Other options at the end of the investment period are set out in the Product Disclosure Statement for the Product prepared by the Issuer (**PDS**).
 - Investors apply for interests in the Fund, and receive reporting and other information from the Responsible Entity and the Manager, using either the Manager’s mobile application or website.

Financial situation

Investors in one or more of the following financial situations:

- Investors with investable assets that meet the minimum product investment requirements.
- Investors who are capable of weathering the loss of their invested principal and who understand that investing in Broodmares is speculative in nature.
- Investors who are not reliant on a steady or reliable income stream.
- Investors with sufficient financial resources to pay initial levies.

There is a minimum investment amount per investor of \$196.26 plus transaction fees. There is no maximum investment amount.

The investment risks of the Product include the risk that the Broodmare may not be able to be sold (due to, for example, death or injury) and that the Broodmare may not successfully give birth to a foal in a particular season. This may lead to a loss of capital and income.

The fee structure of the Fund is based on the charging of a scheme levy and a horse levy, both of which are payable upon an application for the Product.

Needs

Investors that have one or more of the following needs:

- Seeking to rely on the Manager’s relevant expertise in Breeding and

The Manager has relevant expertise in Breeding, including in relation to procuring the service of various service providers in the Horse Breeding industry.

The Broodmare is managed by the Breeder, who are

<p>network of breeding service providers.</p> <ul style="list-style-type: none"> ■ Seeking an interest in one particular Broodmare or group of Broodmares only which is Breed by a particular Breeder. ■ Seeking to invest in a Broodmare for an expected investment period of two years. ■ Seeking regular reports in about the status of the Broodmare. ■ Seeking to have an investor experience that is entirely digital, including in relation to making applications for investment and receiving information about and managing investments. ■ Seeking to use a digital wallet to record interests in the Product. 	<p>experienced Breeders of Broodmares and Foals.</p> <p>The expected investment period in respect of the Product is two years, which reflects the lease period of ownership, although the term of the investment in depends on a number of factors relevant to the ability of the Broodmare to continue to breed. Investors do not have a right to require the Issuer to redeem their interests in the Fund or to buy them back at any time during the term of the Fund. However, investors may transfer their interests in the Fund to another person, with the approval of the Issuer at its discretion.</p> <p>Access to the Product is available through using either the Manager’s mobile application or website. Applications are made using one of these methods, and reporting by the Manager and the Responsible entity is made available via one of these methods. Interests in the Product are digitally recorded in the form of a token, which are on the public Polygon blockchain network, which is referred to as a sidechain of the Ethereum network.</p>
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Appropriateness of the target market and product attributes

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

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

- the relationship between the key attributes of the Product and the target market as set out in this TMD;
- the terms of issue of the Product;
- the particular nature of the assets of the Fund, being Broodmares and their associated foals, and the sole asset referable to the Product being the Broodmare and their associated foals;
- the narrow purpose of the Product being to enable investors to obtain a small indirect interest in the Broodmare and associated foals and to share any net sales proceeds from the sale of the foals;
- the need for additional on-going levies to maintain and upkeep the Broodmare and associated foals;
- the Issuer’s experience and knowledge of the breeding industry in Australia, including the drivers affecting and motivating the typical behaviours of owners of broodmares;
- the Manager’s experience and knowledge of the breeding industry in Australia; and
- the Manager’s experience and knowledge of the Broodmare, and its connections with the Breeder including the respective roles and responsibilities of the Manager and the Breeder set out in the Breeders’ Breeding Agreement and Fees Notice between the Manager and the Breeder.

Distribution conditions

Distribution conditions and restrictions

s 994B(5)(c)

Manager

The Manager must:

- upload the PDS on the Manager's mobile application or website and each gateway refers the investor to that PDS;
- upload the Application Form for the Product on the Manager's mobile application or website, and not permit the Application Form to be downloaded without the PDS being also available to be downloaded;
- upload this TMD on the Manager's mobile application or website in a manner such that it is publicly available to all users of the Manager's mobile application or website and the mobile application or website refers the investor to that TMD;
- the Manager provides all completed Application Forms to the Issuer;
- only advertise or promote the Product in a manner and form approved by the Issuer;
- only give general advice in relation to the Product, and to direct complex questions about the Product to the Issuer; and
- not make any representations about the Product other than as expressly stated in the PDS and subject to any limits set out in the authorised representative appointment agreement.

Appropriateness

Requirement	Explanation
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s 994B(8)

Target market and distribution conditions and restrictions

RG 274.100

The Issuer considers that the distribution conditions will make it more likely that the investors who acquire the Product are in the target market on the basis of:

- the Manager being the only distributor of the Product;
- the restrictions imposed by, and level of supervision required under, the terms of the management agreement and authorised representative appointment arrangements entered into by the Issuer and the Manager;
- the Issuer's risk assessment of Manager based on information collected by the Issuer about the Manager;
- the Issuer's experience and knowledge of the breeding industry in Australia and breeding management; and
- the Manager's past performance in relation to the distribution of financial products and breeding management, about which the Issuer is aware.

Review triggers and review periods

Ongoing TMD reviews

<i>Review triggers</i> s 994B(5)(d)	<p>The following events and circumstances are considered likely to indicate that this TMD may no longer be appropriate:</p> <ul style="list-style-type: none">■ a serious injury to, or death of, the Broodmare or associated Foal;■ a significant increase in the upkeep required in relation to the Broodmare or associated foal, requiring an increase in either the Scheme Levy or the Horse-Related Levy (as described in the PDS);■ where the Breeder is unable to perform its role, or is significantly impaired in being able to perform its role, in relation to the Broodmare or associated foal;■ any significant change to stallion services in which the Manager expected the Broodmare to participate;■ where the Manager is unable to perform its role, or is significantly impaired in being able to perform its role, in relation to the Product;■ a significant number, or an unexpectedly high number, of complaints about the Product or its distribution;■ a significant dealing in this Product in relation to retail clients that is inconsistent with this TMD; and■ any inquiry, surveillance, direction, notice, investigation or enforceable instrument by or from ASIC about or relating to the Product's features, target market or distribution strategy.
<i>First review period</i> s 944B(5)(e)	By July 2024.
<i>Subsequent review periods</i> s 994B(5)(f)	At least once every 2 years since the date of the last review of the TMD (for whatever reason).

Distributor reporting requirements

Ongoing Product reporting

<i>Complaints reporting period</i> s 994B(5)(g)	<p>Where there are a significant number of complaints in the first quarter from the date of this TMD, the:</p> <ul style="list-style-type: none">■ first reporting period ends at the end of that quarter; and■ thereafter, each six-month period commencing on the first anniversary of the end of the first reporting period. <p>Where there are no significant number of complaints in the first quarter from the date of this TMD, each six-month period commencing on the first anniversary of the date of this TMD.</p>
<i>Reporting specified information to the</i>	The Manager must report the specified information to the Issuer collected during the specified reporting period as soon as practicable and in any

Ongoing Product reporting

Issuer event within 10 business days at the end of the relevant reporting period*:
s 994B(5)(h)

	Information*	Reporting period	Distributor
<p>*Note: s 994F(5) states that the distributor must provide this information (or the fact that there is no such information) as soon as practicable and in any event within 10 business days at the end of the relevant reporting period.</p>	<p>Where the distributor received complaints in relation to the Product in the reporting period, the number of such complaints.</p> <p>s 994F(4).</p>	See above complaints reporting period.	Manager
	<p>Information about the substance of complaints received by the distributor about the Product or its distribution from retail clients.</p> <p>RG 274.118</p>	See above complaints reporting period.	Manager
	<p>General feedback relating to the Product and its performance received by the distributor.</p> <p>RG 274.118</p>	Each calendar quarter commencing on the date of this TMD.	Manager
	<p>To the extent the distributor is aware, particulars of any dealing outside the target market, including the reasons why the dealing is outside the target market and whether such dealings occurred in the context of the giving of personal advice in relation to the Product.</p>	Each calendar quarter commencing on the date of this TMD.	Manager

The Manager must report to the Issuer as required under the distributor reporting requirements and within the required timeframe, by emailing the information to the Issuer at advisory@sirecustodians.com.au or other means as advised by the Issuer from time to time.

Important information about this document

This target market determination (**TMD**) is made by Sire Custodians Ltd (ABN 45 005 088 371, AFSL no. 223671) (**Issuer**) pursuant to section 994B of the *Corporations Act 2001* (Cth). The Issuer is the trustee of the Fund and the issuer of the Product.

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

This document is intended to provide a record of the Issuer's assessment of the Product, which forms the basis of this TMD. It also details the Product's distribution channel(s) and distribution strategy which must

align to this TMD. This document is also used as a basis for the periodic review of the Product's suitability for distribution to the identified target market.

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

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

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

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