

# **Important Notice regarding use of this PDS template**

## **Version 1: January 2024**

**This is a template only. It provides broad guidance on the information required to be contained in a Product Disclosure Statement by ASIC Corporations (Horse Schemes) Instrument 2016/790 (Instrument) as last updated in October 2021 and the HRV Syndication Policy. HRV makes no representation and gives no warranty that this template addresses all disclosure obligations that you may have with respect to a Harness Racing Scheme that you wish to promote and your use of this template is on the basis that you agree that HRV has no liability to you or any other person if the PDS that you produce using this template is not approved or even if approved does not meet all disclosure obligations that you may have with respect to the Harness Racing Scheme that you are promoting.**

**It is your responsibility to ensure that a PDS in relation to a Harness Racing Scheme you wish to promote meets the requirements of the Instrument including Subdivision 2C of Part 7.9 of the Corporations Act 2001 (Cth) and any regulations made under it for the purposes of the provisions in that Subdivision. This includes ensuring that the PDS is up to date at the time it is given to prospective participants, worded and presented in a clear, concise and effective manner, meets the requirement to include all other information that might reasonably be expected to have a material influence on the decision of a reasonable person whether to acquire an interest in the Harness Racing Scheme (unless such information would not be reasonable for a person considering whether to acquire an interest in the scheme to expect to find the information in the PDS taking into account the matters in section 1013F(2)), ensuring the PDS is worded and presented in a clear, concise and effective manner and there are no materially false or misleading statements in or omissions from the PDS. You should obtain your own legal advice if necessary.**

## <PDS Cover>

### Product Disclosure Statement (PDS)

<Photo>

<Name> <Year> <Colour> <Sex> by

<Sire> x <Dam>

**Harness Racing Victoria Disclaimer:** A copy of this Product Disclosure Statement (PDS) has been approved by Harness Racing Victoria (HRV) for publication (PDS Approval No. <insert number> on <insert date>). In approving the PDS HRV has regard to whether the PDS includes information to meet specified content requirements under *ASIC Corporations (Horse Schemes) Instrument 2016/790* and the HRV Syndication Policy. HRV does not verify the information and does not specifically check whether all content requirements as required by Subdivision C of Division 2 of Part 7.9 of the Corporations Act 2001 (Cth) have been met. The Promoter is solely responsible for ensuring all disclosure requirements relevant to the Harness Racing Scheme the subject of this PDS are met and that the PDS does not contain any misleading statements or omissions. To the maximum extent permitted by law, no liability as to the accuracy and completeness of the contents of this PDS is accepted by HRV, its officers, employees or agents. In particular (but without limiting the generality of this disclaimer) HRV does not warrant, and has no responsibility for the commercial merits or prospects of the Harness Racing Scheme referred to in this PDS or the manner in which the Harness Racing Scheme may operate. Investors should be aware that an investment in a Harness Racing Scheme may give rise to a loss of capital and no prize money or other income may be received and, if received, may be less than the fees and expenses incurred. Potential participants' financial circumstances may vary, and accordingly, HRV recommends that potential participants obtain independent financial and legal advice in relation to the Horse Racing Scheme and how it might apply to their circumstances should they decide to invest in the Horse Racing Scheme to which this PDS relates.

<Information inside the PDS>

## IMPORTANT INFORMATION

This PDS is dated <insert date preparation completed, which is the date preparation is completed ie relevant information inserted after receiving Lead Regulator Approval>. It should be read in its entirety before submitting an application to acquire interests in the Scheme. Before deciding to apply for interests in the Scheme (ie share(s)) pursuant to any invitation or offer made in or accompanied by this PDS you should consider the suitability for you of the Harness Racing Scheme the subject of this PDS. An application can only be accepted if the current application form which is included in or accompanies the PDS is completed and signed. The Promoter reserves the right not to accept an application without giving a reason. In particular the Promoter will not accept applications if they would give rise to more than 50 participants in the Scheme or the amount raised would exceed \$500,000 or if the application is from a Disqualified Person (as defined in Part 16 of the Australian Rules of Racing) or a person below the age of 18 or with a legal disability such that they would not be contractually bound by any terms and conditions applying to the Scheme. To the extent this PDS may contain any financial product advice it is general advice only which does not take into account your objectives, financial situation or needs or those of any particular person. If you are in any doubt as to whether this Harness Racing Scheme is suitable for you, you should seek your own advice from a financial product adviser and other professional advice including legal advice as

necessary to enable you to make an informed decision as to whether to subscribe to this Harness Racing Scheme. Any invitation to apply for a share/interest in the Harness Racing Scheme the subject of this PDS is made only to persons in Australia.

<Consider the inclusion of a contents page and a glossary>

### **1. Promoter**

<Details – include name and ACN/ABN, contact details, AFSL No.. Include other information about the Promoter that you consider prospective participants would reasonably wish to know.>

The Promoter is the issuer of the shares/interests in the Harness Racing Scheme the subject of this PDS and is also the issuer of this PDS. The Promoter is currently on HRV's register of promoters (Promoter Registration No. <insert number>).

### **2. Manager**

<Details – include name and ACN/ABN/AFSL No. or AR Representative No. and contact details if known and relevant information of any association between the Manager and the Promoter (or that the Promoter is the Manager if that is the case)>

<Include any other information about the Manager if separate from the Promoter that prospective participants may reasonably wish to know.>

<State that the Manager will manage the syndicate in accordance with the Syndicate Agreement to be entered into between the Promoter, Manager and scheme participants, the Rules of Racing and any other rules, regulations or guidelines made by HRV in relation to the Manager or management or the operation of the harness racing scheme>

### **3. Purpose**

<Summary of business plans of the harness racing scheme including scheme purpose/objectives>

### **4. Horse Information**

#### **(a) Description**

<Description of the horse i.e. name, sire and dam, age and sex, where and how it was Purchased, from whom and for how much; whether the registration of the horse under the rules of racing has been applied for/obtained or when this will occur; racing history or statement as to no racing history and any other information referred to in the HRV Syndication Policy or as required to meet the contents requirements in the Corporations Act>

#### **(b) Horse Pedigree**

<Sire history/racing performance>

<Dam history/racing performance>

<Include information about independent pedigree analysis and attach the analysis which includes the matters specified in HRV's Syndication Policy; cross refer to the independent pedigree analysis; include such other information as would be required to meet the contents requirements in the Corporations Act>

**(c) Horse Purchase**

<Include relevant information about public purchase or private acquisition as set out in the HRV Syndication Policy or that would be required to meet the contents requirements in the Corporations Act>

<If any purchase price for the horse(s) was in foreign currency, state the purchase price in that currency and its conversion to Australian dollars as at the date of purchase as required under the HRV Syndication Policy>

**(d) Title / Lease**

<Details as to Title of the horse and that the Promoter has made a statutory declaration that the Promoter has a legally enforceable right to possession of the horse OR that the Promoter will before or on registration of the Harness Racing Scheme with HRV have a legally enforceable right to possession of the horse and that the Promoter will ensure participants will have encumbered title to the whole of the horse(s) on or before scheme registration – see HRV Syndication Policy for relevant information; cross-reference to copy of statutory declaration >

< Statement that the Promoter has confirmed that a vendor release statement from the vendor or auction house as applicable confirming that the horse has been devolved to the participants with unencumbered title will be obtained and provided to HRV before or on registration of the Scheme; cross-reference to confirmation>

<Statement as to any arrangements to acquire the horse under a Finance Lease Agreement. Statement as to when title passes under Finance Lease Agreement and include cross reference to terms of Finance Lease Agreement as summarised below and as attached>

<Statement that Promoter has made a statutory declaration that the Promoter will before or on registration of the Harness Racing Scheme with HRV, ensure that participants in the Scheme lease the horse under a Finance Lease Agreement; cross refer to statutory declaration >

< Statement Promoter has confirmed that any personal property security interest registered against the title of the Horse will be released and confirmation provided to HRV, before or on registration of the Harness Racing Scheme; cross-reference to confirmation>;

**(e) Valuation**

<Include Independent valuation of horse and information as required in HRV Syndication Policy; cross-refer to copy of Independent Valuation attached>

**(f) Veterinary Opinion**

<Include information and copy Veterinary Certificate as required by HRV Syndication Policy; cross-refer to copy attached>

**5. Scheme**

<Price per share, how many shares of the horse are available for public promotion >

<Statement as to whether full subscription is required or any minimum subscription requirements that must be met within 6 months of the date of the PDS. >

<Statement that the Promoter will pay subscription moneys into an applications account with an Australian bank and held on trust as required under the Corporations Act and Corporations Regulations pending the subscription requirements being met within 6 months of the date of the PDS; include statement as to whether or not the Promoter is retaining any interest on the account.>

<Statement that the subscription amount will be paid back to applicants in full (with interest, if any) within 10 business days if the scheme is not fully subscribed /or the minimum subscription requirement is not met after six months of the date of the PDS>.

<Statement what happens if the Minimum Subscription Requirements are met within 6 months of the date of the PDS including matters such acceptance of applications, arranging for the Syndicate Agreement to be executed (whether or not under a power of attorney), arranging for a vendor release statement and unencumbered title to be transferred to participants and any personal property security interests to be released or arranging for any Finance Lease to be entered into as applicable and how money is dealt with for that purpose. For example whether the application monies are all paid into the Scheme bank account established for the scheme and operated by the Manager or whether some monies get deducted for Formation Expenses to acquire the horse and only a balance paid into the scheme bank account.>

<Statement as to undertaking to register the Harness Racing Scheme with HRV within 45 days after the Minimum Subscription Requirements have been met and noting information required by HRV for that purpose; cross refer to undertaking.>

#### **6. Scheme documents**

<insert summary of key features/principal terms of documents relating to the scheme including engagement of service providers – and annex copies of documents participants will be required to sign or which will be signed on their behalf under a power of attorney in the application form if the Minimum Subscription Requirements are met (in particular the Syndicate Agreement and any Finance Lease Agreement will need to be summarised and attached) – see information in HRV Syndication Policy.>

<Information about scheme termination, rights to withdraw or transfer interests and valuation in such circumstances>

#### **7. Prize Money <and other benefits>**

<Include information about any significant benefits (monetary or non-monetary) to which a participant will or may be entitled, the circumstances in which and times at which those benefits will or may be provided>

<Include in particular how will prize money (if any) be distributed to owners>

<Include any relevant disclaimers and cross-refer to risks section >

#### **8. Registration for Racing**

<Process for registering the horse including that it will be registered within 45 days of registration of the Harness Racing Scheme by HRV>

## **9. Trainer**

<Name of Trainer, stables and history, acceptance letter from trainer confirming they will train the horse; where the horse will be trained/stabled; obligations and expenses that will likely be incurred by participants arising from the training services (unless covered elsewhere); if the Trainer is a related party of Promoter or Manager, include appropriate related party disclosures >

## **10. Insurance**

<Outline the mortality insurance details for the horse including coverage and the period covered or state if none has been obtained – see requirements in HRV Syndication Policy>

## **11. Fees and Other Costs**

<Set out all fees and costs including any applicable GST in relation to the harness racing scheme including the Formation Expenses break down as required under the HRV Syndication Policy and set them out as required by the Corporations Act (including for example by including dollar amounts or worked dollar examples where appropriate and take into account ASIC's guidance in Regulatory Guide 182). Note that Schedule 10 to the Corporations Regulations and ASIC Corporations (Disclosure of Fees and Costs) Instrument 2019/1070 only applies to registered schemes). >

<Ensure Fees and Other Costs disclosure includes the following –

### **(a) Formation expenses**

<Insert information about Formation expenses including as a percentage per share and provide a breakdown as set out in the HRV Syndication Policy and when and how paid.>

### **(b) Ongoing Fees**

<Outline of ongoing fees charged and ongoing expenses which will be incurred by participants whether directly or indirectly, how they will be charged and when they need to be paid – ASIC has noted in the Instrument that it includes fees paid by a Promoter or Manager to trainers or other suppliers and any costs related to Promoter's or Manager's administration of the Scheme including legal costs

### **(c) Commissions and other similar payments**

<Include information as to any commissions or other similar payments that may impact any returns (noting conflicted remuneration may not be paid/received in circumstances specified in Part 7.7A of the Corporations Act).>

## **12. Conflicts**

<Details of any actual or perceived conflict of interest of the Promoter or manager in relation to the Horse Racing Scheme>

<Statement in relation to whether the Promoter was entitled to a free service to its sire and a disclaimer regarding any financial interest in the Sire or the Broodmare>

### **13. Risks**

<Outline any risks of subscribing to a Harness Racing Scheme and include a risk of loss of capital and no prize money or other income being received or any prize money or other income that is received may be less than the fees and costs payable>

### **14. Prohibited Substances**

<Notice that a participant may elect to have a horse tested for a prohibited substance under the Australian Rules of Racing with the cost of testing to be borne by all participants (whether or not they elected to have the horse tested)>

### **15. Cooling Off**

<Statement that no cooling off regime applies>

### **16. Taxation**

<Insert general information about significant taxation implications for the scheme or participants >

### **17. Complaints**

<insert information about dispute resolution system that covers complaints by participants and how that system may be accessed>

<insert statement that complaints may also be made to the lead regulator and cross-refer to contact details>

### **18. Applications**

<Include information as to how people apply to become a participant in the Scheme and that applications will not be accepted unless the Minimum Subscription Requirements are met within 6 months of the date of the PDS>

<Include Statement that the Promoter reserves the right not to accept an application without giving a reason. Note again that a person may not become a member of a Harness Racing Scheme if they are a Disqualified Person as that term is defined in Part 16 of the Rules of Racing, under 18 or subject to a legal disability such that they would not be contractually bound by any terms and conditions applying to the Scheme>

<Note any relevant information as to other provisions in application form including for example a power of attorney authorising the Promoter or its directors, employees or officers to enter into the Syndicate Agreement on behalf of members, any Finance Lease Agreement and any other documents Members are required to sign and include power to complete dates and other details as appropriate>

### **19. Other matters**

<Consider whether other matters need to be disclosed to meet the requirements in the Corporations Act/Corporations Regulations/ASIC guidance or instruments including:

- Statements to enable website updates for non-adverse changes: see ASIC Corporations (Updated Product Disclosure Statements) Instrument 2016/1055;
- any related party information: see ASIC Regulatory Guide 76;
- information about what transaction confirmations under section 1017F of the Corporations Act will be given and as required by the Instrument information about what periodic statements will be provided under section 1017D as though the scheme

were a registered scheme and any other reporting that will be provided taking into account any ASIC guidance on such matters to the extent applicable eg Regulatory guide 97;

- information about what information may change and what notice will be given of changes (noting the requirements of section 1017B of the Corporations Act in relation to fees and costs);
- information about ethical considerations for the purposes of section 1013DA /1013D(I) of the Corporations Act and Regulation 7.9.14C if applicable (see also ASIC Regulatory Guide 65)
- whether any section 1013K consents are required and any relevant disclosure about such consents; see ASIC Regulatory Guide 55 and ASIC Corporations (Consent to Statements) Instrument 2016/72;
- any other significant characteristics or features of the scheme or of the rights, terms conditions and obligations attaching to scheme not disclosed elsewhere
- if other information is provided statements as to how it may be accessed and follow incorporation by reference requirements if material is being incorporated by reference – see Regulation 7.9.15DA;
- whether Regulatory Guide 170: Prospective financial information needs to be complied with in relation to any prospective financial information in the PDS;
- whether any statements as to past performance not being a guide to future performance need to be included and consider ASIC Regulatory Guide 53;
- whether any guidance from ASIC applies to any Experts' Reports and whether any such Experts need an AFSL (eg see Regulation 7.6.01(1)(u); see also ASIC Regulatory Guides 111 and 112);
- information about any other laws/requirements to the extent applicable, for example Privacy, Anti-Money Laundering, Target Market Determinations under the Design and Distribution obligations in Part 7.8A of the Corporations Act and ASIC Regulatory Guide 274>

<Consider whether presentation of the PDS meets requirements of ASIC Regulatory Guide 168>

## **20. <Lead Regulator>**

<Lead Regulator details>

## **21. Promoter's documents**

**Attach to the PDS all documents required to be attached as specified in HRV's Syndication Policy including in particular the following documents required by the Instrument:**

- a) an undertaking by the Promoter to obtain registration of the scheme by HRV within 45 days of the Minimum Subscription Requirements being met or if not met within six months after the date of approval of the PDS by HRV the purchase price (with interest, if any) will be returned within 10 Business Days;

<if unencumbered title is to be provided include b) to e) below>

- b) < Promoter confirmation that a vendor release statement from the vendor or auction house as applicable confirming that the horse has been devolved to the participants with



unencumbered title will be obtained and provided to HRV before or on registration of the Scheme;

- c) < Promoter confirmation that any personal property securities interests registered against the title of the Horse will be released and confirmation provided to HRV, before or on registration of the Harness Racing Scheme>; and
- d) <a Promoter statutory declaration that the Promoter has a legally enforceable right to possession of the horse OR the Promoter will before or on registration of the Harness Racing Scheme with HRV have a legally enforceable right to possession of the horse>; and
- e) <a Promoter statutory declaration that the Promoter will ensure participants will have unencumbered title to the Horse, before or on registration of the Syndicate Scheme; and <if a Finance Lease Agreement is to be entered into include f) below>
- f) f) a Promoter statutory declaration that the Promoter will before or on registration of the Harness Racing Scheme with HRV, ensure that participants in the Scheme lease the horse under a Finance Lease Agreement.