

PROMOTERS DISCLOSURE STATEMENT

1. Preparation and purpose

- 1.1** This Product Disclosure Statement ('PDS') has been prepared in relation to the sale of Shares in the thoroughbred horses to which this PDS relates. This PDS has been lodged with and approved by Racing Victoria as Lead Regulator (400 Epsom Road, Flemington, Vic, 3031, Ph.: 9258 4258).

2. General

2.1 Name of the Promoter:

Clanbrooke Pty Ltd, 21 Miniata Walk, Vermont South, 3133
Incorporated in Victoria, ACN 005 894 413
AFS Licence No. 260214

2.2 Names and addresses of all Directors:

Dean Humphries, 21 Miniata Walk, Vermont South, 3133
Jan Humphries, 21 Miniata Walk, Vermont South, 3133

- 2.3** The undersigned parties agree that they purchase the Horse/s as Owners with a view to sharing enjoyment of the Horse/s as a racehorse.

- 2.3** **What percentage of the horse is being syndicated:** 45%.

- 2.4** **The number of shares available within this syndication:** 9 x 5%

Clanbrooke will retain one x 5% share in this Horse. Lynn Alderson will retain 45% and Cindy Alderson 5%.

- 2.5** **The purchase price of each share:** \$2750 per 5%.

Purchase price includes Super Vobis, Vobis Gold, as well as Breaking and agistment to 31st July 2018. All ancillary expenses after this date will be billed to the individual shareholder from the date their share is purchased.

- 2.6** **The number of shares required to be sold to result in a live scheme:**

2

- 2.6** Once the initial sale process has been completed, Cindy Alderson will invoice owners directly. **Cindy Alderson's** daily training rate is currently \$101.20 (including GST).

- 2.7** **Training fees will include:**

Training, agistment, floating, shoeing, dentist, vet, strapper, Nominations.

- 2.8** **Partnership commenced on:** May 1st, 2018.

3 The Horse

- 3.1 A description of the Horses:** Chestnut Filly foaled 24/08/2016 by HELMET out of Approach Me.
- 3.2 A statement as to whether the Horses are registered, if registered the Registration numbers:** Not registered.
- 3.3 If not, has an Application to Register or Transfer been submitted to a principal Club?** No
- 3.4 Details of the racing performance(s) of the Horse (if raced):** The Horse is unraced.
- 3.5 Details of the performance of the Sire:**
HELMET (AUS) (Chestnut 2008-Stud 2012). 6 wins-4 at 2, MRC Caulfield Guineas, Gr.1. Leading First Season Sire in Ire. in 2016. Sire of 242 rnrs, 102 wnrs, inc. SW Thunder Snow (Saint-Cloud Criterium International, Gr.1), Anda Muchacho, Archives - Lean Ambassador (H.K.), Limestone, Met Spectrum, Eqtiraan, Taamol, SP Mur Hiba, Malaise, Boater, Wingingit, Igitur, Coppergate, Sunquest and of Cheeseandpickle, Athlete, Bongrace, Khudha, Kronos, etc.
- 3.6 Details of the performances of the Dam:**
APPROACH ME, by New Approach (IRE). Won MRC Land Engineering Plate (1000 m.). This is her first foal.
- 3.7 Name of the proposed Trainer and where the Horse is to be trained:**
To be trained at Cranbourne by **Cindy Alderson**.
- 3.8 Has a Managing Owner been appointed?**
Yes. Dean Humphries has been appointed as the Manager. Duties include (but are not limited to): completing Syndicate and Registration forms, handling Insurance documentation, Communications including pre and post-race reports, weekly updates including video footage as well as Events Management including the arrangement of regular stable visits. Manager.
- 3.9 Will there be a Management fee charged?**
Yes – a fee of \$25 per share per month will be charged separately and independently on a quarterly basis.
- 3.10 How did the Promoter obtain the Horses:**
Obtained by vendor and breeder, Lynn Alderson. Lynne will be paid for the 10 shares once they are sold.
- 3.11 Date of purchase:**
May 1st, 2018.
- 3.12 A Valuation by a qualified bloodstock valuer approved by the Federation of Australian Bloodstock Agents - Aust., who is independent of the Promoter:**

- 2 valuations have been obtained:
1. Sheamus Mills Bloodstock - \$30K (attached)
 2. Simon Vivian from Inglis - \$30K (attached)

3.13 A Veterinary Certificate prepared by a qualified Veterinary Surgeon, including a statement of opinion as to whether the Horse is fit for the purpose for which the Partnership is being formed:

See attached – attending veterinarian was Dr Harry Waters.

3.14 A statement as to the correctness of the Valuation and Veterinary certificate:

There is nothing known to me that would invalidate the correctness of either the Valuation or Veterinary Certificate

3.15 A statement whether the Promoter/Authorized Representative owns the Horses or whether the Horses are in any way encumbered:

The Horse is unencumbered. Lynn Alderson will pass clear title to each investor upon share purchase.

3.16 A statement disclosing the full particulars of any Lease Agreement that will affect the Partnership:

Not leased.

3.17 Application moneys will be held in a separate Trust Account established and Managed by Clanbrooke Pty Ltd (AFSL 260214) that is applicable for the sole purpose of this product until the Racing Authority has registered or refused to register the Partnership. Once the minimum number of shares have been sold and the Vendor Release statement obtained, title will pass to shareholders and Trust Account funds will be released to facilitate Registration of the Horse.

3.18 Where the Partnership has not been fully subscribed within six months from the date on which the PDS was first approved by the Lead Regulator, (or if the shares have still not been fully sold after a further 3 months extension), or where the Racing Authority has refused to Register the Partnership, ALL monies held in trust, will be returned to the investors within 10 business days.

3.19 Details of any cooling off regime:

Clanbrooke Pty Ltd acknowledges a 14 day cooling off period. To exercise a cooling-off period an investor must do so in writing within the 14 day period.

The cooling off period commences when the investor is issued a receipt of sale.

3.20 The Horses will race in the following colours:

- 1 - Royal Blue and Gold Vertical Stripes, Hooped Sleeves and Quartered Cap
- 2 – Royal Blue, Gold Sash, Quartered Cap

3.21 Naming the Horses:

Shareholders will be asked to submit suggestions and will subsequently vote. Names will then be submitted for Registration in order of voting preference.

3.22 Names in the Race book:

Each owner of not less than 5% of the Horse will be entitled to have his/her name appear in the Racebook.

3.23 Where a share of less than 5% is owned, that Owner agrees for his/her name to be registered as part of a Syndicate that will be represented in the Race book for that Horse OR where a share of less than 5% is owned, that Owner is not entitled to his/her name in the Race book.

4 Communication

4.1 Ongoing communication regarding the Horses:

Once the initial sale process has been completed **Clanbrooke Pty Ltd** has a website at **www.clanbrooke.com**, incorporating an individual website for every stable Horse. Owners are provided with a User ID and password when they join the Partnership. Owners have access to the following information via the website:

- (a) weekly general information (or as needed when the Horses are spelling) relating to the Horse's training or spelling progress
- (b) updated reports including nominations and acceptances

4.2 In addition, Clanbrooke will:

- (a) keep Owners informed regarding a Horses' preparation and forward planning
- (b) keep all Owners regularly informed of the progress and welfare of the Horses.

4.3 It is the responsibility of each Individual Owner to advise **Clanbrooke** of any change to personal contact details.

4.4 Racing Australia's '**Co-owners Agreement' (COA)**, that came into effect in 2017, provides a set of standard terms that govern the rights and obligations of co-owners in a Horse Ownership Venture. Although the COA does **not** apply to Promoter Syndicates, **Clanbrooke Pty Ltd** is happy to abide by the Terms of the **COA** where this PDS has not provided terms of reference. In all instances, however, or if in doubt, this PDS takes precedence. A copy of the COA can be found here:
<https://tor.racingaustralia.horse/co-owner-agreement/>

5 **Ongoing Expenses**

- 5.1 The Owners agree that they will share all costs related and incidental to the racing, training, agistment, treatment, maintenance, management, welfare and keep of the Horses in proportion to their shareholding.

6 **Share of Profits**

- 6.1 The Owners agree that they will share all prizemoney or other monies earned by the Horse in proportion to their shareholding.

7 **Payments and Defaults**

7.1 **Initial Share Sale**

Until full payment has been made, a prospective Owner has no Ownership rights and **Clanbrooke** reserves all rights in relation to the share/s including the right to sell as well as all rights to prize money.

7.2 **Ongoing Payments**

If an existing Owner has not paid any amount so payable 30 days after the due date, then **Cindy Alderson** may serve upon them written notice demanding payment to be made within 7 days.

- 7.3 If 7 days after notice is given, the amount due remains unpaid, then the owner, by default, relinquishes any interest or part-interest in the Horse and **Cindy Alderson** may offer the share (of the defaulting co-owner) for sale to other co-owners in the Horse.

- 7.4 If none of the co-owners wish to take up the offer, the share may be offered for public sale.

- 7.5 Where an Owner defaults under the Terms of the Agreement, **Cindy Alderson** may retain possession of the Horse/s and the Registration or Identification papers for the Horse/s until such default has been remedied. The Owner agrees that under no circumstance will a Horse/s or Registration or Identification papers be released until all monies owing to Cindy Alderson have been paid and until all defaults have been remedied.

7.6 **In the event of an Owner's default:**

(a) Cindy Alderson will continue to care for the Horse/s but may elect to cease providing training services.

(b) Clanbrooke may instruct **Cindy Alderson** to refuse to nominate the Horse/s for any race.

- 7.7 The Owner is liable for all costs associated with and incurred by **Clanbrooke** or **Cindy Alderson** in the attempt to recover any amount owing.

8 Sale of shareholding during the course of the Partnership

- 8.1** Where any Owner wishes to sell their shareholding, he/she must pay and continue paying all amounts owing by that Owner to **Clanbrooke** and **Cindy Alderson** until the sale has been executed. Neither **Clanbrooke** or **Cindy Alderson** is under any obligation to sell or assist the Owner in selling a share.
- 8.2** The purchaser must agree to all Terms and Conditions contained within this Agreement.
- 8.3** The purchaser must be capable of being registered as an Owner under the Australian Rules of Racing.

9 Termination

9.1 This Agreement can be terminated:

- (a)** upon retirement, death, serious injury of the horse/s OR
- (b)** upon mutual agreement from the majority (more than 51% of Owners) that they wish to disperse the Partnership.

9.2 When this Agreement is terminated:

- (a)** the Owner acknowledges that the Horse/s will not be released by **Cindy Alderson** until all amounts owing by all Owners are paid in full.

- 9.3** The Owners acknowledge their responsibility for the welfare of the Horse/s at all times while they remain Owners.

10 Risk

- 10.1** Each Owner hereby acknowledges that investment in Thoroughbred Racehorses is speculative and that there are inherent risks associated with the Ownership of a Horse/s:

- (a)** not all Horses offered for sale progress to competing in races and even when they do, they may not win, place or earn prize money.
- (b)** The rate at which a young Horse matures varies markedly and it is not possible to tell with certainty at what point a Horse may be ready for the races.
- (c)** Injuries can be sustained that may delay or inhibit a Horse's ability to race, either temporarily or permanently.
- (d)** A high percentage of colts are gelded to enhance racing potential.
- (e)** insurance is available against some but not all risks associated with the Ownership of a Horse

10.2 Neither **Clanbrooke** or **Cindy Alderson** will be liable to the Owners in the event of either the death of the Horse/s or its value being diminished as a consequence of accident, injury, disease, or a failure to either compete in or win races.

11 Insurance

11.1 Insurance against death or destruction **is not** included in the purchase price of this Horse. Owners may elect to insure their shareholding at their own discretion.

12 Financial information

12.1

ITEM	DETAIL	COST	45% costs
Valuation Price		30000	13500
Accounting (annual %)		550	225
Audit (annual %)		550	225
Agistment to 31.7.18	91 days at \$27.50	2502.5	1126
Breaking in		2750	1238
Farrier		240	108
Dentist		100	45
Super Vobis Gold nom		1100	495
Racing Colours		220	99
Veterinary Costs - other		500	225
Total		38512.5	17286
			1921
Syndication costs			100% costs
Advertising			550
Registration - horse			110
RVL fee			187
Valuations - bloodstock			450
Photography			350
Web setup			500
Margin			3375
TOTAL COST		38512.5	24729
			9 shares only
TOTAL COST PER SHARE			2748
	5% shares		2750

12.2 Profit Margin: \$45999.50

13 Dispute Resolution

13.1 Clanbrooke Pty Ltd takes all complaints seriously and will do everything possible to resolve any dispute in the fairest way possible. In the first instance, complaints should be addressed to the Managing Owner, Dean Humphries. If the complaint has not been resolved within a reasonable time, the Owner should then refer the matter to the Financial Ombudsman Service (FOS), of which Clanbrooke is a member.

13.2 All costs incurred will be borne by the individual Owner.

ACKNOWLEDGMENT FORM
Re: Helmet x Approach Me

I/We.....

acknowledge that being the purchase of% share in the Australian Clanbrooke Pty Ltd 'Helmet x Approach Me Partnership,' that I am over the age of eighteen years and, that I am not an undischarged bankrupt, or a disqualified person under the Rules of Racing, and that except for traffic convictions involving a fine, I have not been convicted of any criminal offence.

I understand that this is a 20 share Partnership.

I/We authorize my funds to be deposited in the Partnership Bank Account (Bendigo Bank - 633000 - 162617237) pending the completion of the Partnership after which the funds may be used to meet Partnership commitments.

Name

Address

Phone Number

Mobile

Date of Birth

Occupation

Bank Account (for prizemoney)

BSB: _____ A/C Number: _____

Name on A/C:

I acknowledge that I have read and agreed to all Terms and Conditions in this Ownership Agreement (please tick)

Signed

Date

Promoter's Declaration

I confirm that:

(a) the statements contained in this Ownership Agreement in relation to the Partnership are true:

(b) The Ownership Agreement contains all information which the investors and their advisors would require and reasonably expect to find in an Ownership Agreement for the purpose of making an informed assessment about investment in the Partnership.

Name of Promoter: Clanbrooke Pty Ltd, Box 6024, Vermont South, Vic, 3133, incorporated in Victoria – ACN 005 894 413: AFSL 260214.

Signed

Date

DISCLAIMER

A copy of this Promoters Disclosure Statement has been approved by Racing Victoria for publication. No liability as to the contents of this PDS is taken by Racing Victoria, its officers, employees, or agents.

In particular (but not without prejudice to the generality of the disclaimer) Racing Victoria Limited does not warrant, and has no responsibility for, the commercial merits of the scheme referred to in the PDS, the manner in which the scheme may operate, or the taxation advantages (if any) to which the Scheme may give rise. Potential investors' financial circumstances may vary, and accordingly, Racing Victoria recommends that potential investors obtain independent financial and legal advice in relation to the scheme and how it might apply to their circumstances should they decide to invest in the scheme.

Date: _____

I (print name) hereby declare that the contents of this PDS are true and correct

Signature of Promoter

Statement of Subscriber

I declare that I have read and understood the requirements, terms and conditions of any disqualifications contained within this PDS, and that I am not under any disqualification or other disability under the Rules of Racing:

Name of Shareholder

Address

Signature of Shareholder

Date
