

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 horse to which this PDS relates. This PDS has been lodged with and approved by Racing Victoria as Lead Regulator.

2. General

2.1 Name and Registered Office of the Promoter, and where the Promoter is incorporated:

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

2.2 Name of Offeror:

Clanbrooke Pty Ltd. Postal Address: Box 6024, Vermont South, Victoria, 3133.

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

- 2.4 What percentage of the horse/s are being syndicated. 100%

- 2.5 The number of shares available within this syndication: 20 x 5%.

- 2.6 The purchase price of each share: \$1190 per 5%

Purchase price includes Breaking in and agistment to 30.09.2020.

(Note: The share price may be subject to discount at the discretion of the offeror in certain circumstances)

- 2.7 The number of shares required to be sold to result in a live scheme: 2

2.8 Clanbrooke Pty Ltd undertakes to register the syndicate with Racing Victoria within 45 days after:

- a) applications for the minimum number of interests in the syndicate are received: or
- b) the minimum amount for the syndicate has been raised: or
- c) the final share in the syndicate has been sold.

- 2.9 Once the initial sale process has been completed, Andrew Dale will invoice owners directly. Owners will also receive pro-rata ancillary bills from providers. Andrew Dale's daily training rate is currently \$93.50 (including GST).

- 2.10** The Promoter has or will receive the following administration fee from the trainer (amount per share): \$ **nil or as applicable**
- 2.11 Invoiced fees will cover (but not limited to):**
Training, agistment, floating, shoeing, dentist, vet, strapper, nominations..
- 2.12 Partnership commenced on:** **16th July 2020.**

3 The Horse

- 3.1 A description of the Horses:** **Yearling Bay Filly foaled 7th October 2018 by PALENTINO out of VAIN ATTRACTION.**
- 3.2 A statement as to whether the Horses are registered and if registered, the Registration numbers:** **Horse 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:**
PALENTINO (AUS) (Chestnut 2012-Stud 2017). 5 wins from 1300m to 1600m, A\$1,305,110, VRC Makybe Diva S., Gr.1, Australian Guineas, Gr.1, Blamey S., Gr.2, Hilton Hotels & Resorts S., L, 2d MVRC Alister Clark S., Gr.2, VRC CS Hayes S., Gr.3, 4th ATC Doncaster H., Gr.1, MRC CF Orr S., Gr.1, MVRC Australia S., Gr.2, MRC Regal Roller S., L. Out of a half-sister to SW Sublimity (MVRC Alexandra S., L) and SW Rather Grand. His oldest progeny are yearlings.
- 3.6 Details of the performances of the Dam:**
VAIN ATTRACTION, by Bel Esprit. 5 wins 1000m to 1200m, \$326,210, MRC Vintage Photobooth H., MVRC Meadownick Laser Eye Surgery Sprint H., MRC D'Urban P., Citiopera P., 2d MRC Wafex Sovereign P., John Moule H., Ken Sturt H., SAJC Dominant H., 3d MRC City Of Glen Eira H., 4th MRC Alinghi S., L. Half-sister to Kinka Rhode (dam of KINKY BOOM). This is her third foal. Her second foal is a 2YO. Her first foal is an unraced 3YO.
- 3.7 Details of owners of the horse's sire and dam:**
To the best of our knowledge the information in the Stud Book is true and correct.
- 3.8 Name of the proposed Trainer and where the Horse is to be trained:**
To be trained at **Wangaratta** by **Andrew Dale.**
- 3.9 Has a Manager been appointed?**
Yes, Dean Humphries has been appointed as Managing Owner. Duties will include (but are not limited to): completing Syndicate and

Registration forms, handling Insurance documentation, Communications including pre and post-race reports, regular updates including video footage as well as Events Management including the arrangement of regular stable visits.

3.10 Requirements of The Manager

The appointed Manager will be required to manage the syndicate in accordance with the syndicate agreement and any rules, regulations or guidelines made by Racing Victoria (as Lead Regulator) in relation to the Manager or management. Such arrangement, however, will only be applicable during the horse's racing career. A new Management agreement may be struck for a post-racing arrangement at the discretion of all parties.

3.11 Will there be a Management fee charged?

Yes – a fee of \$30 per share per month will be charged separately.

3.12 How did the Promoter obtain the Horse:

Purchased by Andrew Dale at the Inglis Melbourne Gold Yearling Sale, Lot 233.

Andrew Dale has asked Clanbrooke to syndicate and subsequently manage the horse.

3.13 Date of purchase:

16th July 2020.

3.14 A valuation by a qualified bloodstock valuer approved by the Federation of Australian Bloodstock Agents - Aust., who is independent of the Promoter: N/A – price as per market value.

3.15 Declaration of any Service Fee Entitlements:

The Promoter and Manager declares it has never held a financial or beneficial interest in or held any rights to the Sire or the Broodmare of the Horse subject to this scheme nor are entitled to a free service to the horse's sire.

3.16 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 Andrew Bett.

3.17 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

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

The horse is currently encumbered. Andrew Dale is under payment terms

with Inglis for the purchase of this horse and will pass clear title to each investor upon settlement of these terms.

- 3.19 A statement disclosing the full particulars of any Lease Agreement that will affect the Partnership:**
N/A – no Lease in place.
- 3.20 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 Racing Victoria has registered or refused to register the Partnership or Syndicate. 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.**
- 3.21 “If the syndicate is not fully subscribed within six months from the date on which the PDS was first approved by Racing Victoria, or if Racing Victoria refuses to register the syndicate, all application moneys held in trust, together with interest, will be returned to the investors within 10 business days.”**
- 3.22 Any participant in the syndicate may elect to have the horse tested for a prohibited substance under the Australian Rules of Racing, with the cost of testing to be borne by all of the participants (whether or not they have elected to have the horse tested).**
- 3.23 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.
- 3.24 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
- 3.25 Naming the Horse:**
Shareholders will be asked to submit suggestions and will subsequently vote. Names will then be submitted for Registration in order of voting preference.
- 3.26 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.
- 3.27 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** has a website at **www.clanbrooke.com** incorporating an individual website for every stable Horse. Owners can download the Mistable App. where they can obtain a username and password for their Horse.

Owners have access to the following information via the website:

- (a) regular 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.**

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 prize money 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 Pty Ltd reserve 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 **Andrew Dale** 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 **Andrew Dale** 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, **Andrew Dale** 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 **Andrew Dale** have been paid and until all defaults have been remedied.
- 7.6 **In the event of an Owner's default:**
(a) **Andrew Dale** will continue to care for the Horse/s but may elect to cease providing training services.
(b) **Andrew Dale** may refuse to nominate the Horse/s for any race.
- 7.7 The Owner is liable for all costs associated with and incurred by **Andrew Dale** in the attempt to recover any amount owing.
- 7.8 **Andrew Dale** consents to the Terms of the **Standard Training Agreement** (*see attached*)¹. All parties to this PDS consent to these Terms as well. Where Terms contained within this PDS are inconsistent with those contained within the STA, this PDS shall take precedence.
- 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 **Andrew Dale** until the sale has been executed. **Andrew Dale** is under no 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

¹ Standard Training Agreement (TOR)

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 50% 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 **Andrew Dale** 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 Pty Ltd nor **Andrew Dale** 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 The filly is not insured. Individual owners are welcome to insure their individual shareholding.

12 Financial information

12.1 Costs incurred:

Item	Detail	Cost
		100%
Purchase Price		10450
Advertising		1100
Accounting (annual %)		550
Audit (annual %)		550
Agistment	14 days @ \$22 (one month at breakers)	308
Training	30 days @ \$93.50	2805
Breaking in		2600
Farrier		
Freight to farm		550
Photography		
Dentist		
Inglis Bonus Series		
Insurance		
Prom. Disclos.		
Applic.		187
Horse Transfer		55
Registration - Horse		110
Veterinary Costs - including scope		220
Margin		4320
Total Cost		23805
Total per 5% share		1190

12.2 Profit Margin: \$4320

12.3 All expenses incurred by the Promoter will be paid in full when the trust account is closed and for horse services not yet rendered, held in a separate account until paid.

13 Dispute Resolution

13.1 Clanbrooke Pty Ltd take 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 matter remains unresolved for more than 45 days, it should then be referred to the Australian Financial Complaints Authority, of which Clanbrooke Pty Ltd is a member.

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

ACKNOWLEDGMENT FORM
Re: PALENTINO x Vain Attraction

I/We.....
acknowledge that being the purchase of% share in the Clanbrooke Pty Ltd
PALENTINO x Vain Attraction 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 syndicate.

I/We authorise my funds to be deposited in the Partnership Bank Account (Bank:
Bendigo; BSB: **633000** ; Account: **173420324**; Name: **Clanbrooke** pending the
completion of the syndicate after which the funds may be used to meet syndicate
commitments.

Name

Address

Phone Number

Mobile

Date of Birth

Occupation

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

Signed

Date

**If the share is to go in a Syndicate name, please supply your Syndicate Registration
Certificate when you return your completed forms. Failure to do so may result in
additional fees payable if Registration is delayed.*

Promoter's Declaration

I confirm that:

(a) the statements contained in this Agreement in relation to the Syndicate/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 Syndicate/Partnership.

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

Signed

Date

14 NOTICE TO POTENTIAL SUBSCRIBERS: THIS PDS SHOULD BE READ IN ITS ENTIRETY.

BEFORE DECIDING TO ACQUIRE A SHARE(S) IN THE HORSE HEREIN DESCRIBED YOU SHOULD CONSIDER THE SUITABILITY OF THIS PRODUCT TO YOU.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE YOU SHOULD FOLLOW YOU SHOULD CONSULT THE PROMOTER, OFFEROR OR YOUR BLOODSTOCK ADVISOR TO ENABLE YOU TO MAKE AN INFORMED DECISION AS TO WHETHER TO SUBSCRIBE TO THIS PRODUCT.

14.1 Any personal property security interest registered against the title of the horse will be released before or on registration of the horse racing scheme with the lead regulator. The Promoter will confirm to the lead regulator that the personal property security interest has been released.

14.2 The Promoter and Manager do not directly influence experts such as Trainers, Veterinarians or Valuers to provide advice which is biased, nor do these experts have any commercial reason to provide advice which is biased. In an instance when the Promoter, Manager and/or Trainer retains a share in the horse, the share is a commercial investment and the appropriate fees are apportioned to the Promoter, Manager and/or Trainer as they are to all shareholders.

DISCLAIMER

"A copy of this PDS has been approved by Racing Victoria. No liability as to the contents of this PDS is taken by Racing Victoria, its officers, employees or agents. In particular (but without prejudice to the generality of this disclaimer) Racing Victoria does not warrant, and has no responsibility for the commercial merits of the scheme referred to in the PDS, the manner in which the syndicates are operated, or the taxation advantages (if any) to which the scheme may give rise."

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
