PRODUCT DISCLOSURE STATEMENT ("PDS")

THIS STATEMENT MUST BE FORWARDED TO POTENTIAL SUBSCRIBERS

Prior to the holder of an Australian Financial Services Licence ("AFSL") advertising, or making an offer of share in a racehorse in any form, he/she MUST provide RACING QLD with the following information, together with the Application for Approval of the Product Disclosure Statement.

Note: Racing QLD prepares its Pro Forma documents to assist Promoters comply with the requirements of their licence. The items listed below are not meant to be exhaustive and Racing QLD does not accept liability for the contents of PDS', which remain the responsibility of Promoters. If any of the items are not applicable to the particular promotion a notation to the effect "not applicable to the promotion" should be included or the item should be deleted.

The substantive content requirements of a PDS are governed by the Corporations Act 2001, in particular section 1013 C-F, and the ASIC Corporations (Horse Schemes) Instrument 2016/790 ("Instrument"). Promoters should also refer to ASIC Regulatory Guides 91 and 168 for guidance on what should be listed in a PDS.

VANCOUVER x SRETAN colt 2018

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 OR YOUR BLOODSTOCK ADVISOR TO ENABLE YOU TO MAKE AN INFORMED DECISION AS TO WHETHER TO SUBSCRIBE TO THIS PRODUCT.

This PDS has been approved by Racing QLD. No responsibility as to the contents of the PDS is accepted by Racing QLD or any of its officers, employees or agents. Racing QLD does not warrant, and has no responsibility for the commercial merits of the scheme referred to in the PDS, the manner in which the syndicate is operated, or the taxation advantages (if any) to which the scheme may give rise.

Name of Promoter: **Proven Thoroughbreds** AFSL: **301464**

Address: **PO Box N72 Grosvenor Place NSW 1220**

Name of Authorised Representative (if applicable), termed as the Offeror:

N/A ASIC Reg No: **N/A**

Address: **N/A**

Name of Manager (or process to be followed to appoint Manager): **Jamie Walter, who will manage the syndicate in accordance with the management/syndicate agreement and any rules, regulations or guidelines made by the Lead Regulator in relation to the Manager or management.**

The purpose for which the syndicate is being formed:
Racing

The number of shares in the syndicate:
20 x 5%

Percentage of the horse for Public Promotion: 100%

The total value of the scheme does not exceed $500,000 and the total participants in the scheme will not exceed 50.

The purchase price of each (5%) share (including GST):
$7,200

A description of each horse to be owned or leased by the syndicate:
Brown colt **by VANCOUVER out of SRETAN, foaled August 8, 2018**

A statement as to whether the Promoter was entitled to a free service to the horse's sire and a disclaimer regarding any financial interest in the Sire or the Broodmare:
N/A

A statement as to whether the horse is registered; if registered the registration number:
N/A not registered

If not, has an application to Register or a Transfer been submitted? **No**

Details of racing performance(s) of the horse (if raced): **N/A**

Details of the performance of the Sire: _____

Details of the performance of the Dam: _____

Name of proposed Trainer and where the horse is to be stabled (confirmation letter attached):
Steve O'Dea (Eagle Farm)

Details of proposed ongoing expenses to be incurred by members (see attached):
$50-60,000 per annum depending on how much of the year the horse is in training

The Promoter has or will receive the following administration fee from the Trainer (amount per share):
No

Monthly Management Fee per share: $ **(see attached management agreement)**
Management services to be provided by the Promoter or Manager (as relevant):
See attached management agreement

How did the Promoter obtain the horse and the purchase price paid by the Promoter (include the passed-in price if applicable):
Purchased at public auction, 2020 Magic Millions January Sale for $121k (inc GST)

A valuation by a qualified bloodstock valuer, who is independent of the Promoter, completed less than THIRTY (30) days prior to the date of the PDS MUST accompany this application, together with a statement by the valuer of any financial or other interest of the valuer in the syndicate or the moneys raised from the syndication:
N/A

A Veterinary Certificate prepared by a qualified Veterinary Surgeon, completed less than Thirty days prior to the date of the PDS must accompany this application. The Certificate must disclose any financial or other interest held by the Veterinarian in the syndicate or the moneys to be raised from the syndication.

See attached veterinary certificate

A statement by the Promoter as to the correctness of the Valuation and Veterinary Certificate:

The Promoter considers the price paid at auction is consistent with market value and the vet certificate accurately describes the horse

A statement by the Promoter as to whether any fact or occurrence is known to the Promoter, which renders the Valuation or Veterinary certificate material inaccurate:

The Promoter is not aware of any such occurrence

A statement whether the Promoter owns the horse or whether the horse is in any way encumbered:

The horse is currently owned by Proven Thoroughbreds with extended payment arrangements to the auctioneer and is offered with guaranteed clear title by the promoter to prospective clients

If the horse is encumbered, a statement by the Promoter providing full particulars of the arrangement:

Refer previous clause

If the subscribers are to have unencumbered title to the whole of the horse:

1) A copy of the letter from the vendor or auction house confirming that the horse has been devolved to the syndicate or participants in the syndicate with unencumbered title, or a statement by the Promoter that such a letter will be provided to Racing QLD before or on registration of the syndicate with Racing QLD:

A vendor release will be provided on registration of the syndicate with Racing QLD

2) A statutory declaration made by the Promoter as to the Promoter's legally enforceable right to possession of the horse and that the participants in the syndicate will have unencumbered title to the horse (see attached).

A statutory declaration will be provided on registration of the syndicate with Racing QLD. The subscribers will receive unencumbered title to the horse upon allotment of shares.

3) A statement by the Promoter that any personal property security interest registered against the title to the horse has been released or will be released and that the Promoter will, before or on registration of the syndicate with Racing QLD, confirm to Racing QLD that the personal property security interest has been released:

Confirmed

If the subscribers are leasing the whole of the horse, a statement disclosing the full particulars of the standard form finance lease that will affect the syndicate:
N/A

A copy of the standard form finance lease relating to the horse(s) and a statutory declaration made by the Promoter that the participants in the syndicate lease the horse under a finance lease in that standard form (see attached).
N/A

A statement setting out expenses incurred by the Promoter in the formation of the syndicate:
See attached

A statement that the application moneys will be held in a separate trust account (that is applicable for the sole purposes of this product) by the Promoter until the Racing Authority has registered or refused to register the syndicate:
Application moneys will be held in the Promoters Trust Account pending the allotment of shares

A statement by the promoter to discharge any expenses incurred on the horse/s for which monies have been collected from the subscribers before registration of the scheme, or if the service is not yet rendered, that monies will be held on account until rendered and then discharged:
Confirmed. See attached management agreement

A statement that where the syndicate has not been fully subscribed within six months from the date on which invitations were first made to the public, or where the Racing Authority has refused to register the syndicate, ALL moneys held in trust, together with interest, will be returned to investors within TEN (10) business days.
Confirmed

Details of any cooling off regime:
A cooling off period of five days will be advised to applicants prior to share allotment as required by Clauses 1019A and 1019B of the Corporations Act.

A statement regarding any conflict of interest or perceived conflict of interest:
No conflict of interest from the Promoter of Vet (see attached).

The Promoter does 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.

The Promoter, Manager or any of their associates 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

An undertaking by the Promoter that it will register the syndicate with the Lead Regulator within 45 days after (i) applications for the minimum number of interests in the syndicate are received; or (ii) the minimum amount for the syndicate has been raised, provided that this step is not required (in the above time) if the time period elapsed since the PDS was approved by the Lead Regulator is under 6 months and shares remain available for sale. In such an instance, an undertaking by the Promoter that it will register the syndicate with the Lead Regulator within 45 days of the sale of the final share in the scheme is required:

Confirmed

A statement of Industry risks:

This is a speculative investment and is not recommended for investors who are unable to risk the initial outlays and ongoing commitments. Not all horses offered in share partnerships proceed to a racing career, not all horses offered in a share partnership earn prize money, injuries may occur and require an extended period of not racing or the end of the horse's racing career, a stud career is not guaranteed for all horses.

Information about the dispute resolution processes available to the subscriber:

If you have a complaint about either the advice Proven Thoroughbreds has given you or about an interest in a horse racing promotion that you have acquired from Proven Thoroughbreds you take the following steps;

- **First contact Jamie Walter and discuss your complaint**
- **If your complaint is not resolved within 5 days you have the right to complain to the Financial Ombudsman Service (an external industry dispute resolution body of which Proven Thoroughbreds is a member)**
- **Contact details are: Financial Ombudsman Service GPO Box 3 Melbourne VIC 3001, ph: 1300 780 808, fax: (03) 9613 6399, email: info@fos.org.au**

A notice to the effect that a participant 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).

Confirmed

DISCLAIMER

I confirm that:

(a) the statements contained in the PDS in relation to the syndicate are true; and not false or misleading in their form or content.
(b) the PDS contains all information which the investors and their advisers would require and reasonably expect to find in the PDS for the purpose of making an informed assessment about investment in the syndicate.

Signature of Promoter:

Date: 31/01/2020

Signature of Authorised Representative (if applicable)

_____

Date:_____

Signature of Manager (if applicable):

_____

Date:_____

I hereby declare that the contents of this PDS are true and correct –

Signature of Promoter:

Date: 31/01/2020

Signature of Authorised Representative(if applicable):

_____

Date:_____

Signature of Manager (if applicable):

_____

Date:_____

Statement of Subscriber

I declare that I have read the PDS shown above:

Name of shareholder: _____

Address: _____

Signature of Shareholder: _____ Date: / /

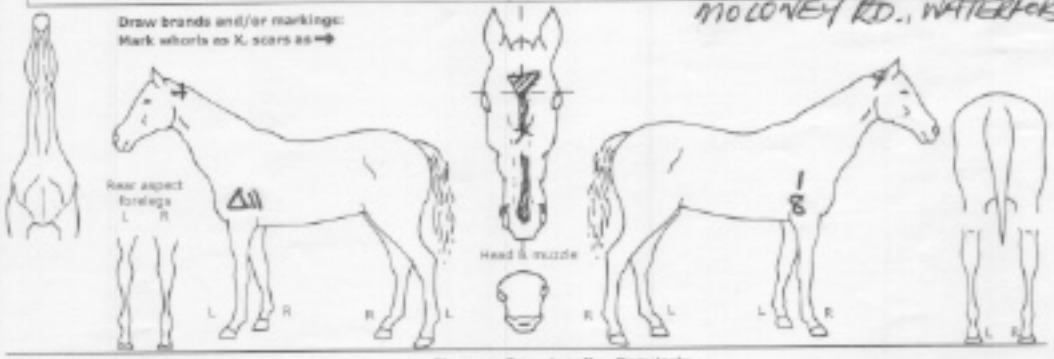
Equine Veterinarians Australia

A Special Interest Group of the Australian Veterinary Association Ltd. ABN 63 008 522 802

CERTIFICATE OF EXAMINATION FOR MORTALITY INSURANCE PURPOSES

Animal presented as: VANCOUVER / SRETAN '18			
(If unnamed) Sire:		Dam:	
Colour: BROWN	Breed: TBD	Sex: MALE	
Microchip No: 985100012158996		Age/DOB: 8/8/18	
Owner (If known): HAVEN THOROUGHBREDS		Address (if known):	
Person requesting examination:		Place of examination: KOLORA LODGE, MOLONEY RD., WATERFORD	

Draw brands and/or markings:
Mark whorls as X, scars as ➡



THE EXAMINATION

	Never	Occasionally	Regularly
Does your practice normally attend this property?			✓
Has your practice previously attended this horse?	✓		

Yes	No	
✓		Pulse Normal?
✓		Respiration normal?
✓		Temperature normal?
✓		Eyes clinically normal?
✓		Heart ausculated and found normal?
	✓	Any indication of infection or disease?
	✓	Any physical evidence of laminitis?
	✓	Is the horse lame at the walk or trot?
	✓	Is there evidence of ataxia?
	✓	Is there any obvious evidence of previous abdominal surgery?

Broodmares

		Is she reported in foal?
		Is there any external condition detrimental to satisfactory breeding?
		Has an internal examination of the reproductive organs been conducted? (If so attach a separate report of examinations conducted, dates & findings)

Stallions

✓		Are the external genitalia palpably and visibly normal?

Please give your opinion below as to the significance of any abnormalities mentioned above (add additional sheets if needed):

I have today performed a clinical examination on this horse in accordance with EVA Insurance guidelines and declare that to the best of my professional knowledge the horse is clinically normal and in a satisfactory condition, except where noted.

Date: 28.1.2020	Signed:
Name (please print): JANINE DWYER	Place stamp / write address here: 70344 4/1 Horses Veterinary Services 608 Beenleigh Redland Bay Rd., Carbrook Q. 4130
Contact Number: 0457 467 737	
AVA No: 3076 / VPB No: 2868	

Equine Veterinarians Australia - Certificate Of Examination For Mortality Insurance Purposes. Disclosure of history is the responsibility of the owner not the veterinarian.
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