



MONARCH

RACING SYNDICATIONS

**UNNAMED 2022 BAY FILLY (NZ)
BY TOO DARN HOT (GB) X TAVISPIRIT (NZ)**

***MONARCH BLOODSTOCK PTY LTD
TRADING AS MONARCH RACING SYNDICATIONS***

Product Disclosure Statement

This Product Disclosure Statement has been approved by Racing Victoria Limited

Offeror

Monarch Bloodstock Pty Ltd ACN 665 353 248 (Authorised Representative No (001303707)

Address: 10 Bundanoon Road, Wilton NSW 2571

Telephone: 0430 170 333 Email: jason@monarchrs.com.au

Being an Authorised Representative of the

Promoter

Stable Connect Ltd (AFS Licence No. 336964)

Address: Level 10, 60 City Road, Southbank VIC 3006

Telephone: 03 9629 3023; Email: info@stableconnect.com.au

Web: www.stableconnect.com.au



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Letter of consent to be Trainer

Application Form

Syndicate Deed

PRODUCT DISCLOSURE STATEMENT

This Product Disclosure Statement (“PDS”) is dated *13th February 2024*. This PDS has been lodged with and approved by Racing Victoria Limited. No liability as to the contents of this Product Disclosure Statement is accepted by Racing Victoria Limited, its officers, employees or agents. In particular (but without prejudice to the generality of this disclaimer) Racing Victoria Limited does not warrant, and has no responsibility for the commercial merits or prospects of the scheme referred to in this Product Disclosure Statement, the manner in which the syndicate 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 Limited 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.”

1. DISCLOSURE AND COMPLIANCE WITH ASIC CORPORATIONS (HORSE SCHEMES) INSTRUMENT 2023/790

This PDS has been compiled by the Promoter for presentation to prospective investors in compliance with the disclosure requirements for the public offering of shares in Horse Racing Syndicates to be operated in accordance with the requirements of ASIC Corporations (Horse Scheme) Instrument 2023/790 (**ASIC Instrument**).

Investors should be aware that the Syndicate will be registered with Racing Australia (RA) within a reasonable period of (and no later than 45 days after) it being fully subscribed and that the Syndicate will be operated by the Offeror as Syndicate Manager for the benefit of the Owners in accordance with the requirements of the ASIC Instrument and the provisions of the Syndicate Deed.

In compliance with the ASIC Instrument the total value of the offer does not exceed \$500,000 or exceed 50 participants.

2. STATEMENT TO PROSPECTIVE INVESTORS AS TO THE COMMERCIAL MERITS OF THE OFFER AND RECOMMENDATION REGARDING THE SEEKING OF ADVICE

The commercial merits of investing in Shares offered in this PDS should be regarded as being of a speculative nature. The investment is not recommended for Investors who are unable to risk the initial outlays and ongoing commitments. Prior to entering into this investment, prospective investors should read this PDS in its entirety and are advised to consult their independent licensed financial or investment adviser, legal, taxation and other professional consultants (including bloodstock consultants) in assessing the potential merits of the investment. The only information authorised by the Promoter to be provided to prospective investors is that contained in this PDS and no person is authorised to give any information or to make any representations in connection with the Offer other than the information and representations which are contained in this PDS.

3. PURPOSE OF SYNDICATE

It is contemplated that the Syndicate of participants (owners) will obtain the benefit of racing the FILLY in Australia.

4. ISSUE

Monarch Bloodstock Pty Ltd (“the Offeror”) offers shares in the unnamed bay filly (NZ) foaled 19 August 2022 by TOO DARN HOT (GB) from TAVISPIRIT (NZ) (“the Filly”) to interested investors and is the subject of this PDS.

The Filly was offered by Cambridge Stud at the 2024 Karaka (NZ) Sale. The Filly was purchased by Monarch Bloodstock Pty Ltd for the purchase price of NZ \$150,000 (which equates to AUD \$140,859.34 using Direct FX exchange rate of 0.9391 as at 7 February 2024). 50% will be retained by the trainer Simon Zahra who will sign a copy of the Syndicate Deed. 50% will be syndicated out by Monarch Bloodstock. This Gelding has been paid in full by Monarch Racing Syndications and unencumbered title will pass to the participating investors upon the offer

being fully subscribed. A copy of the title release letter from NZ Bloodstock will be forwarded to Racing Victoria confirming that unencumbered title to the Filly has devolved to the Syndicate or participants prior to registration.

Shares are now available in this statuesque, energetic filly by 'sire on fire' **TOO DARN HOT (GB)** out of **TAVISPIRIT (NZ)**, a mare hailing from New Zealand racing royalty who has blue blood flowing through her veins. This filly has a pedigree bulging with Group and black-type winners featuring some legendary names and will have you dreaming of winning the Thousand Guineas or the Oaks.

Bred by the well-renowned Cambridge Stud and purchased at the recent Karaka NZ Sales, her sire **TOO DARN HOT (GB)** is one of the most sought-after and exciting stallion prospects in the world. A multiple European Group 1 winner over 1400m to 1600m and Champion 2yo colt, **TOO DARN HOT (GB)** got off to a sizzling start in Europe last year with four 2yo Group winners from his first crop led by Group 1 winner **Fallen Angel**, and has two very smart 2yo sprinters from his first crop in Australia, most notably **Arabian Summer** and **Too Darn Lizzie**.

Her dam **TAVISPIRIT (NZ)** was unraced but she features one of the best New Zealand bloodlines you will see, with names like **Zabeel**, **Tavistock**, **Imposingly**, **Bonneval** and **Champagne** featuring in her pedigree. This filly is her first foal.

The Grand-dam, **Full Of Spirit**, was an Australian Group 3 winner over 2000m and is a daughter of blue hen producer and NZ Broodmare of the Year **Imposingly**, dam of group winners **Bonneval**—winner of the Group 1 Australian Oaks, New Zealand Oaks and Underwood Stakes, as well as three other races at Group 2 and Group 3 level—Group 2 winner **Lord Arthur**, Australian Group 3 and Listed winner **Imposing Lass**, Group 3 winner **Lady Cumquat**, and of course **Full Of Spirit**. She also produced Listed winner and Group 1-placed **Frontman**.

But it doesn't stop there. This filly is closely related to NZ Derby winner **St Reims**, Group winner and Melbourne Cup runner-up **Champagne** and Listed winners **Martique** and **Nadege**.

Whilst the female line shows plenty of talent over 1600m to 2400m, the sire line shows champion ability at 1400m to 1600m. Looking at the pedigree, together with this girl's build and forward motion, she looks like a mid-to-late two-year-old type that should improve further as a three-year-old. It suggests she could be a middle-distance to staying prospect, with 1600m looking particularly strong.

She will be trained by Simon Zahra based at Flemington, Victoria, who tasted multiple Group-winning success when in partnership with Mathew Ellerton before recently striking out on his own, with the most notable horse being Golden Slipper winner Crystal Lily.

This filly is nominated for the Karaka Millions Race Series featuring a \$1 million race for two-year-olds and \$1.5 Million race for three-year-olds.

The ownership of the Filly is being syndicated into fifty (50) equal Shares. There will be no more than 50 owners.

All 50 Shares are being offered for sale in this Offer. However, if there are 25 or less Shares (25%) remaining on the day immediately prior to the Closing Date, the Seller will retain the remaining Shares then available in order for the Syndicate to be fully subscribed.

The Offeror proposes to offer Shares to prospective investors at the price of **\$2,206.80** per 1% per share inclusive of GST. A 2.5% share equates to **\$5,517**, a 5% share equates to **\$11,034.00** and a 10% share equates to **\$22,068**.

This upfront cost of the share includes **all** associated agistment, breaking in and training costs to 9 April 2024. This costs does include Nomination Fees, Acceptance Fees and Interstate transport costs.

MONARCH BLOODSTOCK PTY LTD	
UNNAMED 2022 BAY FILLLY	50%
TOO DARN HOT (GB) X TAVISPIRIT (NZ)	Ex GST
Acquisition Price NZ \$75,000 (50%)	\$70,429.67
Insurance to 29 January 2025 (50%)	\$3,750.00
Karaka Millions Race Series Entrance Fees *NZ \$1,725 (50%)	\$1,619.88
Karaka Yearling Scoping Fees *NZ \$100 (50%)	\$93.91
Air Freight and Travel * NZ \$3,500 (50%) (no GST)	\$3,286.50
Travel (50%)	\$650.00
Yearling Break In Fees (Est. 6 wks.) (50%)	\$3,500.00
Pre-training, Training and Agistment Fees (Est. 10 Weeks) (50%)	\$2,200.00
Veterinary and Dental (50%)	\$250.00
Sales Inspection, Vet Inspection, Scoping and X-Ray Fees (50%)	\$630.00
Golden Slipper Nomination Fees (50%)	\$200.00
Syndication/Registration and Licence Fees	\$2,200.00
Bloodstock Agents Fee (5%) (50%)	\$3,750.00
Monarch Racing Syndications Commission	\$2,750.00
Administration Fee	\$2,000.00
Marketing Fee	\$3,000.00
Sub-Total	\$100,309.09
GST (10%)	\$10,030.91
Total (incl GST)	\$110,340.00

All NZ costs are converted to \$AUD with Direct FX exchange rate of 0.9391 as at 7 February 2024.

The Shareholder shall be liable for all expenses incurred in maintaining and caring for the Filly from 10 April 2024.

The Offeror, Promoter, Syndicate Manager or Racing Manager or any of their associates shall not be receiving any administration fee from the Trainer.

In addition, the Offeror will charge a management fee of \$50 plus GST per month for each Owners first share purchase. For any additional shares purchased in the future by the same Owner, no additional management fee will be charged.

5. OWNERS' PRIVILEGES

There will be no more than 50 owners. Each owner regardless of the shareholding they hold will be entitled the same service and provided an equal ownership experience.

Each owner will be provided with the following benefits and privileges:

5.1 Registered Owner Rights

- (a) Admission and membership ticketing, subject to race day availability.

- (b) Mounting yard access to liaise directly with the Trainer and Jockey and witness the pre-race riding instructions and post-race debrief, subject to race day and trainer availability.
- (c) Access to the on course Owners' Lounge, subject to race day availability.
- (d) Owners' car parking at metropolitan and country meetings, subject to race day availability.
- (e) Complimentary racebook, subject to race day availability.

5.2 Race Day Ticketing & Hospitality

All owners will be named in the racebook in which the horse is competing, subject to availability and limits imposed by Racing Victoria Limited.

5.3 Owner Relations and Communications

It is Monarch Bloodstock Pty Ltd.'s objective to ensure that a premium owner relationship program is provided to all Monarch Bloodstock Pty Ltd.'s owners. This will include, but not limited to:

Regular communications from the trainer and Monarch Bloodstock Pty Ltd.'s executive in relation to all aspects of the horse's welfare and racing career. These communications will take the form of electronic voice messages, written reports, images and video action of the horses' activities. Monarch Bloodstock Pty Ltd will ensure all relevant updates are disclosed to the ownership group via the Prism portal.

- (a) Regular functions will be held at the Stables for owners, family and friends including Sunday brunches and Open Nights.
- (b) All owners will have the opportunity to have input into the name of the horse. Monarch Bloodstock Pty Ltd.'s proposes to invite suggestions from each owner followed by a voting process.

6. HOW TO INVEST

All Applications for Shares must be made on the enclosed Application Form.

Shares shall be allotted upon payment. Legal and equitable title to the Filly shall pass to those applicants whose applications for Shares have been accepted and the offer is fully subscribed.

The Promoter reserves the right to close the offer or extend the Offer closing date (subject to a PDS extension being approved by the Lead Regulator) at any time after the Offer opening date without notice, a consequence of which will be that the allotment date of the Shares will vary with any change in the Offer closing date.

7. INVESTORS FUNDS

All investors' funds are held in a separate bank account ('syndicate' account) on trust.

If the syndicate is not fully subscribed by (*6 months after approval date*) or if Racing Victoria Limited refuses to register the syndicate, all application moneys held in trust, together with interest, will be returned to applicants within 10 business days.

All expenses incurred by the Promoter will be paid in full when the trust account is closed and where some of the services to be provided to the horse have not yet been rendered then funds needed to pay for those services shall be held in a separate account until paid.

8. OFFEROR

The Offeror is Monarch Bloodstock Pty Ltd of 10 Bundanoon Road, Wilton NSW 2571 being the Authorised Representative (001303707) of Stable Connect Limited of Level 10, 60 City Rd, Southbank VIC 3006 (the holder of Australian Financial Services Licence - AFSL 336964)

Monarch Bloodstock Pty Ltd t/as Monarch Racing Syndications

Monarch Bloodstock Pty Ltd t/as Monarch Racing Syndications is a boutique racing and syndication operation that works with Victorias leading trainers by hand selecting quality racehorses.

The Director of Monarch Racing Syndications is Jason David Micallef.

Monarch Racing was founded and created by Jason Micallef and Tahlia Micallef.

We focus on the experience our owners have on and off the track. We pride ourselves on the communication and content we provide to our owners and back it up with the honesty we pass on with our thoroughbreds. We have a big emphasis on the social side of horse ownership, we want all our partners to enjoy the excitement of being with us every step of the way throughout the career of their racehorse.

We are particular on our selection of horses and we focus on quality over quantity. We purchase in partnership with trainers we can trust to communicate with us, be honest with us and of course get the best out of the horses. We race our horses in New South Wales and to date have had plenty of success over the years. We encourage all walks of life to join us, we have first time owners involved with us through to industry recognised names and everything in between. We focus on affordable race horse ownership and believe everyone should enjoy the thrill of a win in their lifetime.

9. PROMOTER

The Promoter is Stable Connect Limited which holds the ASIC approved Australian Financial Services Licence No. 336964 and is an approved promoter with Racing Victoria Limited the lead regulators for racehorse syndication in Victoria.

The Directors of Stable Connect Ltd are:

- **ADAM TIMS B Comm.** Adam Tims is an Executive Director of Stable Financial specialist in the provision of accounting, tax and business solutions to the thoroughbred horse industry. He is also Company secretary and Treasurer of Thoroughbred Breeders Australia (TBA) and Aushorse Marketing.
- **TIM JOHNSON B Ec. LLB.** Tim Johnson is Company Secretary and Director of Stable Connect Limited. Tim has been involved in the Thoroughbred industry since a very young boy when he often walked the Moonee Valley track with his grandfather W. S (Bill) Cox. In his teenage years he keenly followed every horse his other grandfather Walter Johnson bred but in particular the champion 'Vain'. As past President of Thoroughbred Breeders Victoria (TBV) and Vice President of Thoroughbred Breeders Australia (TBA) Tim has a direct involvement in the administrative and policy development of all issues relating to the Breeding industry. Tim also operates the law practice known as Stable Legal.

10. SYNDICATE MANAGER

Monarch Bloodstock Pty Ltd shall act as Syndicate Manager, as first appointee of the Owners in accordance with the provisions of the Syndicate Deed any rules regulations or guidelines made by the Lead regulator in relation to the Syndicate Manager or management of the Filly.

The Filly. will race in the Monarch Bloodstock Pty Ltd colours.

11. RACING MANAGER

The Racing Manager shall be appointed by the Syndicate Manager. The first appointee of the Syndicate Manager as Racing Manager is Jason David Micallef.

Jason David Micallef has agreed to act as Racing Manager of the Syndicate.

12. TRAINER

The trainer shall be appointed by the Racing Manager. The first appointee of the Racing Manager as trainer is Simon Zahra, Racecourse, 11 Straight Drive, Flemington VIC 3031 has agreed to train the Filly and a copy of his acceptance letter to train the Filly is attached.

13. VETERINARY REPORT

Dr Tim Montgomery BVMS, has provided a veterinary report as to the suitability of the Filly for purchase as a racehorse.

14. INSURANCE

The Filly is insured until 29 January 2025 at a sum insured of \$75,000 (for 50% of the FILLY). At the conclusion of the cover the Filly will not be reinsured and after this date each Owner of a Share must make their own insurance arrangements.

15. REGISTRATION

The Offeror 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 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. In such instance the Promoter will register the syndicate with the Lead Regulator within 45 days of the final share being sold in the scheme.

Any interest registered against the title to the Filly on the Personal Property Security Register (PPSR) has been released or will be released. The Promoter, will before or on registration of the syndicate with Racing Victoria Limited, confirm to Racing Victoria Limited that the PPSR registration has been released.

Within 45 days after applications for the minimum number of interests in the syndicate are received or the minimum amount for the syndicate has been raised will be registered with Racing Victoria Limited.

16. INTERESTS OF THE OFFEROR, PROMOTER, SYNDICATE MANAGER, RACING MANAGER, THEIR DIRECTORS AND EXPERTS

- 16.1 The Offeror OR the Promoter, Syndicate Manager, Racing Manager or any of their associates declares that it has never had before the date of this PDS any interest in relation to the promotion of the Syndicate or in the Filly other than the interests detailed in this PDS.
- 16.2 The Offeror OR the Promoter, Syndicate Manager, Racing 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.
- 16.3 The Offeror, Promoter, Syndicate Manager or Racing Manager or any of their associates do not directly influence experts such as Trainers, Veterinarians or Valuers to provide advice that is biased, nor do these experts have any commercial reason to provide advice which is biased.

- 16.4 Dr Tim Montgomery has no interest in relation to the promotion of the Syndicate or in the Filly except that he will receive a professional fee in connection with the provision of the Veterinary Report.
- 16.5 The Offeror, Promoter, Syndicate Manager or Racing Manager or any of their associates believe the price accepted by the Vendor at the fall of the hammer at the Sale is a correct value for the Filly as is the correctness of the Veterinary Certificate provided by Dr Tim Montgomery.
- 16.6 The Offeror, Promoter, Syndicate Manager or Racing Manager or any of their associates have no knowledge of any fact or occurrence which may render the value of the Filly or the current Veterinary Certificate materially inaccurate.
- 16.7 There is nothing in the Syndicate Deed to prevent either themselves or any members, officers, directors of the Offeror, Promoter, Syndicate Manager, Racing Manager or any corporation related to any of them or their officers from purchasing, holding, dealing in or disposing of Shares in the Syndicate, or from otherwise contracting or acting as agent or entering into or being interested in any contract or transaction whatsoever with any other of them or with any Shareholders, provided that those persons shall act, in connection with such transactions, in a fiduciary relationship of utmost good faith to Shareholders.
- 16.8 In the instance where the Offeror, Promoter, Syndicate Manager, Racing Manager and/or Trainer retain a share in the horse, the share is a commercial investment and the appropriate fees are apportioned to the Offeror, Promoter, Syndicate Manager, Racing Manager and/or Trainer as they are to all shareholders.

17. SUMMARY OF RIGHTS AND LIABILITIES ATTACHING TO SHARES IN THE SYNDICATE AND OTHER RELEVANT INFORMATION

The full rights and liabilities attaching to Shares in the Syndicate are set out in the Syndicate Deed annexed to this PDS. Each prospective purchaser of a Share ("the Purchaser") should refer to that document for full information as he or she will be bound by its terms. Some essential points are as follows:-

- 17.1 Neither the Offeror nor any person or corporation named in the Syndicate Deed nor any one on their behalf makes any representation or warranty with regard to either:
- (a) The suitability of the Filly either for racing or, if relevant, subsequently for stud duties; or
 - (b) The reliability or adequacy of any insurance cover either arranged for the benefit of the Owners or referred to in either this PDS or the Syndicate Deed.

Each Purchaser of a Share must acknowledge entering into the Syndicate at his or her own risk and being aware that investment in the racing of thoroughbred horses is highly speculative.

- 17.2
- (a) The Owner of each Share shall be entitled to a pro-rata share of net prize money and bonuses earned by the Filly from racing, as provided in the Syndicate Deed.
 - (b) All trophies won by the Filly will be managed at the Discretion of the Racing Manager.
 - (c) The entitlements of the Owner are subject to the default provisions of the Syndicate Deed.

- 17.3
- (a) The Owner of each share shall be liable for a pro-rata share of costs associated with operating the Syndicate and racing the Filly, including, but not limited to, insurance, transport, veterinary, agistment, breaking-in, pre-training and racing expenses, as provided for in the Syndicate Deed.
 - (b) Investors should be aware that it is estimated the annual cost of operating the Syndicate (including training, racing, management and compliance) should not exceed an average of Four Hundred and Fifty dollars (\$450) per month, per 10% share however, this is an estimate only, as the actual cost will depend on many variable factors which are not possible either to forecast or foresee at this time.

- (c) The trainer has elected to invoice each Owner monthly for his or her pro rata share of all costs associated with training and racing the Filly. Each Owner will be required to pay his or her pro rata share of such costs directly to the trainer in accordance with the trainer's terms on the invoice. The monthly amount payable by each Owner to the trainer will vary from month to month.
- (d) Fernhill Agistment will invoice each Owner monthly for his or her pro rata share of all costs associated with agistment and pre training the Filly. Each Owner will be required to pay his or her pro rata share costs directly to the Fernhill Agistment in accordance with the terms on the invoice. The monthly amount payable by each Owner to Speller will Vary from Month to Month.
- (e) The ongoing management fee payable to the Syndicate Manager will be invoiced to each Owner by Monarch Bloodstock Pty Ltd.
- (f) Expenses in future years may increase on those stated in this PDS.

17.4

- (a) In the event of either the sale of the Filly or any ownership interest in the Filly, or the sale of Shares by any of the Owners, a Commission of five percent (5%) will be applicable to be paid to Syndicate Manager.
- (b) In the event the Filly, has commercial interest for sale during or after its racing career the Syndicator is appointed as Exclusive Agent to sell the horse on behalf of the Owners, a Commission of five percent (5%) will be applicable should a successful sale take place and trainer, Simon Zahra is also entitled to a five percent (5%) share as prizemoney compensation for the horse bring sold.
- (c) In the event the Syndicate Manager receives an offer from a party who is not an Owner to purchase part or all of the Filly then pursuant to the Syndicate Deed if a majority being 60% of Owners accept the offer then the minority 40% are compelled to sell pursuant to the offer made.

17.5 Prior to committing to invest an Owner 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 the Owners (whether or not they have elected to have the horse tested).

17.6 A procedure for handling internal complaints is provided by the provisions of clause 9 of the Syndicate Deed, which includes the right of an Owner, in certain circumstances, to have the dispute referred to the Australian Financial Complaints Authority ("AFCA") or any other such authority that make take its place, for determination by conciliation or arbitration.

Investors should be aware that the Offeror, Promoter, Racing Manager and or Syndicate Manager may acquire Shares in the Syndicate and that they may acquire any number of shares.

18. MARKETABILITY OF SHARES

An Owner will not be able to offer for purchase, or issue invitations to buy Shares, unless the prospective purchaser is provided with an Information Memorandum prepared by the Syndicate Manager in accordance with the provisions of the Syndicate Deed.

In addition, there are restrictions contained in the Syndicate Deed on the transfer of Shares. There will be no ready market for the shares. Each owner should consider the subscription as a long term investment.

19. WARNING

Investment in bloodstock must be considered to be of a speculative nature.

20. RISK

Fluctuations in the value and sale price of Shares should be anticipated. Factors which will influence both the value and sale price of Shares, without limitation, include:-

- 20.1 The Filly may not become a racehorse
- 20.2 That not all racehorses earn prizemoney.
- 20.3 The Filly may die or her value be diminished as a consequence of accident, contraction of disease or natural cause.
- 20.4 Racecourse performances of the Filly and related bloodstock.
- 20.5 Insurance when secured may not cover all circumstances.
- 20.6 The level of demand for related bloodstock and bloodstock of equivalent calibre both at public auction and by private treaty.
- 20.7 Any change in the current conditions affecting investment in the bloodstock industry, including level of prize money and taxation benefits available to bloodstock breeders.
- 20.8 Changing conditions within the Australian economy generally.
- 20.9 The price which buyers at public auction or by private treaty are willing to pay for the Filly if offered for sale may not reflect either the purchase price paid by the Offeror for the Filly or the sale price of the Shares offered by this PDS.

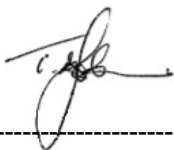
21. COOLING OFF PERIOD

Each applicant for a share in this Filly has a five (5) day cooling off period within which the Applicant may choose to notify the Promoter in writing by post or email of their decision to not proceed with the purchase of the share and upon the receipt of that notification the Promoter shall return any funds paid within seven (7) business days and remove the applicant as a shareholder or cancel the application.

22. PROMOTER and OFFEROR DECLARATIONS

I Timothy Andrew Johnson, a director and duly authorised officer of the Promoter, Stable Connect Limited (AFSL 336 964) declare that:

- (a) The statements contained in this Product Disclosure Statement are true and correct; and not misleading in their form or content; and
- (b) This Product Disclosure Statement contains all information which prospective investors and their advisers would require and reasonably expect to find in a Product Disclosure Statement for the syndication of a horse for the purpose of making an informed assessment about investment in the syndicate.



Timothy Andrew Johnson
Director and duly authorised officer

I, Jason David Micallef a director and duly authorised officer of the Offeror, Monarch Bloodstock Pty Ltd being an Authorized Representative of Stable Connect Limited (AFSL 336 964) declare that:

- (a) The statements contained in this Product Disclosure Statement are true and correct; and not misleading in their form or content; and
- (b) This Product Disclosure Statement contains all information which prospective investors and their advisers would require and reasonably expect to find in a Product Disclosure Statement for the syndication of a Filly for the purpose of making an informed assessment about investment in the syndicate.

Jason David Micallef

Jason David Micallef
Director and duly authorised officer
Monarch Bloodstock Pty Ltd (A.C.N 665 353 248)
being Authorised Representative (No. 00133707) of Stable Connect Limited (AFSL 336 964)

BAY FILLY (NZ)

(Branded Foaled 19th August 2022)

(SIRE)	Dubawi (Ire).....	Dubai Millennium.....	by Seeking the Gold.....
TOO DARN HOT (GB)		Zomaradah.....	by Deploy.....
	Dar Re Mi.....	Singspiel (Ire).....	by In the Wings.....
		Darara.....	by Top Ville.....
(DAM)	Tavistock.....	Montjeu (Ire).....	by Sadler's Wells.....
TAVISPIRIT		Upstage (GB).....	by Quest for Fame.....
2017	Full of Spirit.....	Flying Spur.....	by Danehill (USA).....
		Imposingly.....	by Zabeel.....

TOO DARN HOT (GB) (Bay 2016-Stud GB 2020, Aust. 2020). 6 wins-4 at 2-7f to 1m, Newmarket Dewhurst S., Gr.1. Brother to SW Lah Ti Dar. Sire of 79 mrs, 31 wns, inc. SW Fallen Angel (Curragh Moyglare Stud S., Gr.1), Darnation, Alyanaabi, Carolina Reaper, SP Boiling Point, Son and of Bauhinia, Etes Vous Prets, Jakajaro, etc. His oldest Aust.-bred progeny are 2YOs and inc SP Arabian Summer and of Too Darn Lizzie, Climate Change, Too Darn Lovely and of the placegetters Tartaglia, etc.

1st Dam

TAVISPIRIT, by *Tavistock*. Unraced. This is her first foal.

2nd Dam

FULL OF SPIRIT, by *Flying Spur*. **4 wins** from 1300m to 2000m, NZ\$129,275, A\$163,750, ATC Adrian Knox S., **Gr.3**, ARC JRA Trophy H., Manawatu RC Kevin O'Connor & Associates H., 2d Hawkes Bay Makfi Challenge S., **Gr.1**, ARC Rich Hill Mile, **Gr.2**, Matamata Cup, **L**, Scone Cup, **L**, ARC Gucci 3YO S., 3d ATC Eremein H., Waikato RC Calegastro H., 4th ATC Australian Oaks, **Gr.1**. Half-sister to **BONNEVAL**, **LORD ARTHUR**, **IMPOSING LASS**, **LADY CUMQUAT**, **(THE) FRONTMAN**. Dam of 5 named foals, 4 to race, **3 winners**, inc:-

Spirit of Gold. **4 wins** from 1600m to 2400m, NZ\$8,900, A\$98,000, MRC Tile Importer H., 3d MVRC Reliable Energy H., MRC Canny Lass H.

Aunt Roberta. **2 wins** at 2100m in 2022-23, 3d MRC Tile Importer H.

Kapalua Sunset. **2 wins** at 1750m, 1900m to 2022-23.

3rd Dam

IMPOSINGLY, by *Zabeel*. **Winner** at 1950m. Broodmare of the Year in NZ in 2016-17. Sister to **Sunnah**, three-quarter-sister to **ST REIMS**, **CHAMPAGNE** (dam of **MARTIQUE**, **NADEGE**), **Sursum Corda**, Hansuyen (dam of **CHAMPAGNE HARMONY**), half-sister to Reine de Jeu (dam of **FITOCRACY**). Dam of 12 named foals, all raced, **11 winners**, inc:-

BONNEVAL (*f Makfi*) NZ Horse of the Year in 2016-17 & 2017-18. Champion 3YO & Stayer in NZ in 2016-17. Champion Middle Distance Horse in NZ in 2017-18. Top Filly on The 2016-17 NZ 3YO Free H (1600m+). NZ Bloodstock Filly of the Year in 2016-17. **7 wins-1** at 2-from 1300m to 2400m, NZ\$301,500, A\$1,323,000, Australian Oaks, **Gr.1**, MRC Underwood S., **Gr.1**, New Zealand Oaks, **Gr.1**, MVRC Dato' Tan Chin Nam S., **Gr.2**, Waikato RC Sir Tristram Fillies Classic, **Gr.2**, Hawkes Bay Lowland S., **Gr.3**, Bec Brad & Richard Turn 40 2YO S., 3d WRC Desert Gold S., **Gr.3**.

LORD ARTHUR (*g Camelot*) **2 wins** at 1400m, 2100m, ARC Championship S., **Gr.2**, 3d ARC Barfoot & Thompson H.

IMPOSING LASS (*f Makfi*) **5 wins** from 1350m to 1800m, A\$357,975, Gosford RC Belle of the Turf S., **Gr.3**, Gold Coast Bracelet, **L**, ATC Schweppes H., Ranvet H., 2d Wyong RC Mona Lisa S., **L**, ATC Schweppes H., 3d ATC Shannon S., **Gr.2**, BRC The Roses S., **Gr.2**, ATC Toy Show H., **Gr.3**.

FULL OF SPIRIT (*f Flying Spur*) **4 wins**. See above.

LADY CUMQUAT (*f Duke of Marmalade*) **3 wins** from 1600m to 2000m, NZ\$59,900, A\$113,280, Manawatu Classic, **Gr.3**, 2d MRC Ladies Day Vase, **Gr.3**, VRC Banjo Paterson Series Heat H., ARC Eye Institute H., 3d

ATC Adrian Knox S., **Gr.3**, SAJC Centaurea S., **L**, ARC Lindsay Mile, MRC Doctor Bombay Where Are You? H. Producer.

(THE) FRONTMAN (*g Makfi*) **3 wins** at 1400m, 1600m, NZ\$169,062, A\$92,950, BOP RC Karaka Classic, **L**, Waikato RC Valachi Downs H., 2d ATC Lord Mayor's Cup, **L**, ARC Co-Op Taxis H., 3d New Zealand Derby, **Gr.1**, Matamata Cup, **L**, Hawkesbury RC Ladies Day Cup, **L**, 4th ATC Doncaster Prelude H., **Gr.3**, Newcastle JC Cameron H., **Gr.3**.

Zaberto. **2 wins** at 1600m, 2100m, ARC Novotel H.

Our Squeezer. **2 wins** at 1200m, 1400m, Waikato RC Shaw's Wire Ropes H. Dam of 5 winners-

Tamarack (*g Redwood*) **9 wins** from 1200m to 3400m, A\$571,015, to 2022-23, ATC Summer Racing H., Sydney Spring Racing H., TAB H., Hawkesbury RC Ascend Sales Trophies H., 2d Hawkesbury RC Ladies Day Cup, **L**, MRC Australian Hurdle, Pakenham RC Brendan Drechsler Hurdle, ATC Iron Jack H., Tahiti Travel Connection H., Theraces H., 3d ATC Cup, **L**, BRC Hamilton Hotel H., Warrnambool RC Kevin Lafferty Hurdle, ATC Fugen H.

Swiss Beauty. **2 wins** at 1200m, 2d MRC Catanach's Jewellers H. Dam of 2 winners-

Betty Spaghetti (*f Stratum Star*) **4 wins** at 1400m, 1600m, NZ\$142,760, to 2023-24, CJC Discover Niue H., Otago RC Property Brokers Ray Kean H., 2d Otago Breeders' S., **L**, 4th Otago RC Dunedin Guineas, **L**, CJC Warstep S., **L**.

4th Dam

QUIZ QUEEN (NZ), *by Defensive Play (USA)*. Unraced. Half-sister to **ST REIMS**, **CHAMPAGNE** (dam of **MARTIQUE**, **NADEGE**), **Sursum Corda**, Hansuyen (dam of **CHAMPAGNE HARMONY**). Dam of 13 named foals, 12 to race, **9 winners**, inc:-

Sunnah (*f Zabeel*) **3 wins** from 1400m to 2400m, A\$141,600, VRC Kokoda Track H., 3d Moonee Valley Oaks, **Gr.2**, STC Winter Cup, **L**. Dam of- Dark Vision. **2 wins** at 1650m, 2100m, WATC Call TAB to Bet 132 369 H., Westspeed Stayers' Bonus H. Dam of 2 winners-

HIGHER GROUND (*c So You Think*) **4 wins** from 1550m to 2000m, A\$226,405, ATC Frank Packer P., **Gr.3**, Win \$10k Cash P., Tab.com.au H., 2d BRC Rough Habit P., **Gr.3**.

Reine de Jeu. **3 wins** to 1350m, STC TJ's Champagne Bar H. Dam of 2 winners-

FITOCRACY (*f Denman*) **2 wins-1** at 2-at 1300m, 1800m, A\$131,775, SAJC Schweppervescence S., **Gr.3**, James Thredgold Jewellers 2YO H., 2d SAJC Master Builders H., 4th MRC Twilight Glow S., **L**. Producer.

NEW BUSINESS CO-CLIENT TAX INVOICE

Monarch Racing Syndications

Date: 30/01/2024

Invoice Number: 202538-02

Account Executive: Ron Fitton

Broking Assistant: Christina Gear

Thank you for using our services to arrange this insurance cover.

Please refer to the master invoice for full details of the cover provided.

Do not hesitate to contact us with any questions you may have.

Type of Policy	BLD
Insured	Monarch Racing Syndications
Policy Description	Bloodstock Mortality - NZ Lot 468 2022 F Too Darn Hot x Tavispirt
Invoice Description	50% Share - \$75,000
Insurer	100% Underwriters at Lloyds LON/23
Policy Number	230004558
Period of Insurance	29/01/2024 to 29/01/2025
Effective Date	29/01/2024

Premium	FSL	Insurer Policy Charge	Insurer Total GST	Stamp Duty	Admin Fee	Admin Fee GST	Invoice Total
\$2,812.50	\$ 0.00	\$ 0.00	\$ 281.25	\$ 309.37	\$ 76.70	\$ 7.68	\$3,487.50

Payment Options



**DEFT Reference Number
405209317826**

Pay by credit card or registered bank account at www.deft.com.au or phone **1300 30 10 90**. Payments by credit card may attract a surcharge.



Name: Monarch Racing Syndications

Invoice No: 00202538

Total: **\$6,975.00**

Payment Due by **12/02/2024** to ensure your continuity of cover.



*498 405209 317826

Pay in-store at Australia Post by cheque or EFTPOS



Bill Code: 20362
Ref: 405209317826

EFT TRANSFER

Reference: 00202538

BSB: 184 446

Account: 303365571

Account Name: Fitton Insurance Brokers Australia Pty Ltd

Total Due:

\$3,487.50

Contact your participating financial institution to make BPAY payments using the biller code and reference number as detailed above



**AUCKLAND
EQUINE**
performance
vets

www.aucklandvets.co.nz

237a Porchester Road, Takanini, Auckland 2112

nurses@aucklandvetcentre.com

09 973 4371



FIT FOR SYNDICATION

HORSE: UNNAMED

SIRE: Too Darn Hot

DAM: Tavispirit

DESCRIPTION: Bay Filly

MICROCHIP: 985125000128837

BRANDS: NSS: S With Capital C
OSS: 19/2

DATE: 07/02/2024

On 7 February 2024, the above-described horse was examined for the purposes of providing a Veterinary Certificate for inclusion in the Product Disclosure Statement (PDS) for syndication for Monarch Bloodstock.

Clinical Examination

The clinical examination included auscultation of the heart and lungs, recording of rectal temperature, ophthalmoscopic eye examination, incisor teeth examination, forelimb and hindlimb flexion and joint palpation which were normal.

In my opinion, at this time and within the confines of the examination performed, the filly presented appears suitable for purchase as a racehorse and suitable for public syndication for racing purposes and mortality insurance.

This certificate has been prepared for the inclusion in the disclosure statement of the thoroughbred in question. This certificate may be relied upon by potential investors; however it does not constitute a "pre-purchase" examination. I certify that I have no current, nor contemplate, future interest in the above-described horse, other than in the supply of a Veterinary opinion of suitability for racing. Furthermore, I am aware that this report is provided to (*name of syndicator*) for use by them in promoting the sale of the above-described filly.

The filly has no abnormalities or deformities which will prevent her from racing or racing to her full potential.

Should you require further information regarding this horse, please do not hesitate to contact me.

Regards,

Dr Tim Montgomery BVMS
Director AucklandVets Ltd



30 January, 2024

To Whom It May Concern,

Re: ***Lot 468 NZB Karaka Sale – Too Darn Hot x Tavispirit filly - NZ\$150,000***

The horse listed above will be trained at Flemington Racecourse in Melbourne, for \$140 plus GST per day, in accordance with the terms and conditions within the standard trainer's agreement.

We offer this letter for inclusion in a Product Disclosure Statement for Monarch Racing Pty

Ltd.

Your faithfully,

A handwritten signature in black ink, appearing to be 'S. Zahra', written in a cursive style.

Simon Zahra
Trainer

MONARCH BLOODSTOCK PTY LTD T/AS MONARCH RACING SYNDICATIONS

**UNNAMED 2022 BAY FILLY
BY TOO DARN HOT (GB) eX TAVISPIRIT (NZ)**

MONARCH BLOODSTOCK PTY LTD T/AS MONARCH RACING SYNDICATIONS

Syndicate Deed

Promoters

Monarch Bloodstock Pty Ltd (Authorised Representative No 001303707)

Address: 10 Bundanoon Road, Wilton NSW 2571

Telephone: 0430 170 333 Email: jason@monarchrs.com.au

Being an Authorised Representative of the

Promoter

Stable Connect Limited (AFS Licence No. 336964)

Address: Level 10, IBM building, 60 City Rd, Southbank VIC 3006

Telephone: 03 9629 3023; Email: info@stableconnect.com.au

Web: www.stableconnect.com.au



**UNNAMED 2022 BAY FILLY
BY TOO DARN HOT (GB) eX TAVISPIRIT (NZ)**

**MONARCH BLOODSTOCK PTY LTD
Authorised Representative of
STABLE CONNECT LIMITED**

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Schedules

- 1 - Deed by which Subscriber bound by Syndicate Deed

**UNNAMED 2022 BAY FILLY
BY TOO DARN HOT (GB) eX TAVISPIRIT (NZ)**

SYNDICATE DEED

THIS DEED is made on 13th February 2024.

BETWEEN: Each person who from time to time is bound by this Deed as an Owner by executing a deed in the form of Schedule 1 ("Owners").

AND: MONARCH BLOODSTOCK PTY LTD (ACN 665 353 248) t/as MONARCH RACING SYNDICATIONS of 10 Bundanoon Road, Wilton NSW 2571 ("Syndicate Manager")

AND: Jason David Micallef of c/- Monarch Bloodstock Pty Ltd ("Racing Manager")

RECITALS:

- A. The Owners have agreed to the terms and conditions of this Deed to enable the Owners to obtain the benefit of the FILLY from racing.
- B. The Owners acknowledge owning and racing a thoroughbred race horse is speculative and fraught with risk.
- C. The Syndicate Manager has agreed to manage the Syndicate on behalf of the Owners in accordance with the terms and conditions of this Deed and Instrument 2016/790.
- D. The Racing Manager has agreed to manage the racing career of the FILLY.

OPERATIVE PROVISIONS:

1. DEFINITIONS AND INTERPRETATION

1.1 The following words have these meanings in this agreement unless the contrary intention appears:

"ASIC" means the Australian Securities & Investments Commission.

"Authorised Representative" means a natural person nominated by the Corporate Authorised Representative and who has been approved by Stable Connect Limited to provide specified services in respect of approved products

Instrument 2023/790 means ASIC Corporations (Horse Schemes) Instrument 2023/790 which commenced 1 January 2023.

"FILLY" means the Unnamed] 2022 Thoroughbred BAY FILLY by TOO DARN HOT (GB) from TAVISPIRIT (NZ)

"Extraordinary Resolution" means a resolution that has been passed by at least 60% of the total votes that may be cast by Owners entitled to vote on the resolution.

"AFCA" means the Australian Financial Complaints authority (ABN 38 620 494 340) or any other such authority that may take its place.

"Lead Regulator" means the body, Racing Victoria, with whom Stable Connect Limited is registered as an approved promoter.

"Racing Victoria Limited" means Racing Victoria of 448 Epsom Road, **Flemington VIC 3031**. which is the controlling body of thoroughbred horse racing in Victoria.

"Resolution" means a resolution passed by a majority vote of those Owners entitled to vote.

"Share" means an undivided one hundredth (1/100th) share in the Syndicate Property.

"Subscriber" means each purchaser of a Share at the commencement of the Syndicate. This definition may, where the context permits, also include the original Owner, Syndicate Manager and Racing Manager.

"Stable Connect" means Stable Connect Limited which holds the Australian Financial Services Licence – ASFL 336964

"Syndicate" means the business undertaking evidenced by this Deed whereby the FILLY will be prepared for racing and raced for the benefit of the Owners.

"Syndicate Property" means any income or proceeds received by the Syndicate including:

- (a) Prize money and bonuses received from racing the FILLY.
- (b) Proceeds of sale of the FILLY.

1.2 In this agreement unless the contrary intention appears:

- (a) The singular includes the plural and the plural includes the singular.
- (b) A reference to any one FILLY includes a reference to each other FILLY.
- (c) A reference to a person includes a reference to a firm, corporation or other corporate body.
- (d) A reference to writing includes a reference to printing, typing and other methods of producing words in a visible form.
- (e) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have corresponding meanings.
- (f) Headings are for ease of reference and do not affect the construction of this Deed.
- (g) If a party consists of more than one person this Deed binds them jointly and each of them severally.
- (h) This Deed binds in addition to the parties, their respective legal personal representatives and successors.
- (i) The annexed Schedules shall form part of this Deed.

2 OWNERS

2.1 As and from the date of this Deed:

- (a) The Owners will own the whole of the legal and equitable title to the FILLY;
- (b) The Syndicate Manager will hold the Syndicate Property upon trust for the Owners;
- (c) No party shall encumber the legal or equitable ownership of the FILLY.

- 2.2 Each share will entitle the owner to a one hundredth (1/100th) share of net prize money and bonuses. In the event the FILLY wins a trophy, it shall be held and maintained by the Manager for the benefit of all owners to see
- 2.3 The Owners shall pay the costs of maintaining, training and racing the FILLY proportionately to the number of Shares held by each Owner to the total number of Shares and where an Owner is in arrears by more than 30 days for agistment or pre-training fees as invoiced by the Trainer, Fernhill or Syndicate Manager, then the Syndicate Manager shall be entitled to charge interest on the amount outstanding at the current RBA cash rate plus 4% payable monthly.
- 2.4 The Owners shall pay to the Syndicate Manager an annual Monarch Bloodstock Pty Ltd Owners Management Fee which is for communication and owner liaison provided by the Syndicate Manager, The applicable fee is a monthly direct debit fee of \$50 plus GST. There are no additional management fees if the same Owner is to purchase shares in another Thoroughbred managed by the Syndicate Manager.
- 2.5 The Syndicate Manager and the Racing Manager may beneficially hold any number of Shares, and shall have the same rights and powers in respect of each Share he owns as though he were not also acting in another capacity under this Deed.
- 2.6 There shall be no more than 50 Owners.
- 2.7 The Owners agree not to reproduce any Monarch Bloodstock Pty Ltd branding, Intellectual Property, merchandise or social media publication for financial gain.
- 2.8 Should any shareholder neglect or fail to pay ongoing costs associated with the upkeep of their share for a period in excess of sixty (60) days, further action may be taken and may result in the sale of the share. All outstanding accounts will be deducted from the sale proceeds and the balance paid to defaulting shareholder.

If you are in excess of sixty (60) days in arrears of Monarch Bloodstock Pty Ltd's managements fees your voting right (% of ownership) for horse movements and key changes will be reallocated to the managing owner until these arrears are settled.

An interest charge of 7.5% will be charged on any outstanding training or management fee's that exceed thirty (30) days.

3 SYNDICATE MANAGER

- 3.1 The Owners hereby appoint the Syndicate Manager to manage and operate the Syndicate for the benefit of the Owners on the terms and conditions of this Deed in accordance with the requirements of Instrument 2023/790.
- 3.2 The Syndicate Manager must at all times during the life of the Syndicate:
- (a) Be an Authorised Representative of Stable Connect who hold an Australian Financial Services Licence (AFSL) covering the financial services to the Syndicate;
 - (b) diligently strive to carry on and conduct the Syndicate in a proper and efficient manner and to perform the functions and exercise the powers of the Syndicate Manager in the best interests of the Owners as a whole and to treat each Owner equally; and
 - (c) ensure that no Syndicate moneys are applied other than for the purpose of the Syndicate.
- 3.3 The Syndicate Manager may delegate all or any of his duties and responsibilities to the Racing Manager without in any way diminishing his duties to the Owners. Notwithstanding the appointment of the Racing Manager, the Syndicate Manager may overrule any decisions or actions of the Racing Manager. In the event of any inconsistency between the actions of the Syndicate Manager and the

actions and instructions of the Racing Manager, those of the Syndicate Manager shall prevail to the extent of the inconsistency.

- 3.4 The Syndicate Manager will pay the Racing Manager for services he provides to the Syndicate.
- 3.5 The Syndicate Manager will provide, or arrange for the provision of, accounting, secretarial and legal advice to the Syndicate.
- 3.6 The Syndicate Manager will keep a register of Owners which contains their names and addresses and the number of Shares held by each Owner, the date on which the Owner was entered in the register and the date on which any person ceased to be an Owner. In the event of a Share being owned by more than one person, the Syndicate Manager shall be entitled to require the owners of such Share to register their own Syndicate with a Lead Regulator and to own the Share in the name of such Syndicate.
- 3.7 The Syndicate Manager will, upon being requested by an Owner to do so, (at the cost of the Owners making the request) provide an Information Memorandum for the purpose of enabling the Owner to undertake the sale of a Share.
- 3.8 The Syndicate Manager will:
- (a) allow ASIC and or Lead Regulator access to inspect all the records of the Syndicate, including but not limited to the share register, transfer journal, secretarial and financial statements;
 - (b) provide to ASIC and or Lead Regulator all information requested in relation to the Syndicate;
 - (c) If requested to do so, lodge with ASIC and or Lead Regulator a copy of all documentation forwarded to Owners relating to the financial position, performance and auditing of the Syndicate.
- 3.9 The Syndicate Manager will be entitled to be reimbursed for the money paid to the Racing Manager, secretarial, legal, bookkeeping and accounting services provided, insurance costs, travel and accommodation expenses incurred, in relation to the Syndicate business
- 3.10 In the event of either the sale of the FILLY or any ownership interest in the FILLY, or the sale of Shares by any of the Owners, a Commission of five percent (5%) will be applicable to the Syndicate Manager.
- 3.11 Pursuant to clause 3.10, should the sale of the FILLY or any ownership interest in the FILLY, or the sale of Shares by any of the Owners, an additional Commission of five percent (5%) will be applicable to the Trainer.
- 3.12 Across all standard grade racing, Owners receive 100% of prize money per their shareholding. The Syndicate Manager will receive a five percent (5%) performance bonus only when FILLY wins in a Listed, Group 3, 2 or 1 race. This includes all races with above advertised prize pool of \$150,000. For e.g. – The Everest, The Golden Eagle, The Kosciusko etc.
- 3.13 The FILLY will race in the Monarch Bloodstock Pty Ltd racing silks of White with Deep Navy Epaulettes, with logo on sides. Deep Navy Armbands, with white logo inside. White Cap with Deep Navy Stripes.

4 RACING MANAGER

- 4.1 The Racing Manager shall manage all aspects of the racing career of the FILLY upon the terms and conditions of this Deed.
- 4.2 For so long as the FILLY continues to race, the Racing Manager shall ensure proper and skilful management and control of the FILLY in accordance with the normal standards for the racing of thoroughbred racing horses.

- 4.3 The Racing Manager shall appoint a licensed trainer to train the FILLY and prepare the FILLY for racing. The Racing Manager shall have sole responsibility for determining the appointment of the licensed trainer throughout the entire racing career of the FILLY.
- 4.4 The Racing Manager shall report to the Syndicate Manager and the Owners any facts and circumstances known to him which may have a material effect on the health or well-being of the FILLY or which may give rise to a claim under any insurance policy.
- 4.5 In the case of the FILLY being an entire, the Racing Manager shall ensure that the FILLY is not gelded without the authority and consent of the Syndicate Manager and the Owners (consent being by an Extraordinary Resolution of the Owners). The Racing Manager after consulting with the Owners may sign the "Consent for Surgery" on behalf of the Syndicate.

5 COMPLIANCE WITH RULES OF RACING

- 5.1 The Racing Manager, Syndicate Manager and the Owners shall at all times comply with the Rules of Racing relevant to the territory in which the FILLY is racing.

6 TRANSFER OF SHARES

- 6.1 Notwithstanding anything contained in this Deed any transfer, sale or other disposal of a Share shall be conditional upon:
- (a) the transferee of the relevant interest in the FILLY being capable of being, or being, registered as an owner under the Australian Rules of Racing;
 - (b) the transferee receiving from the Syndicate Manager an Information Memorandum detailing the essential features of the Syndicate;
 - (c) the transferee of the Share entering into a Deed of Covenant in favour of the Syndicate Manager, the Racing Manager and the Owners pursuant to which the transferee shall covenant to be bound by the terms of this Deed as if it were an original party hereto.
- 6.2 Subject to clauses 6.1, 6.3 and 6.4 all Shares shall be capable of sale, transfer or other disposal by the Owner thereof to any person with the approval of the Syndicate Manager and the Owners and such approval shall not be unreasonably withheld.
- 6.3 Notwithstanding anything contained in clause 6.2 but subject to clause 6.1 the approval of the Syndicate Manager and the Owners may not be required for the, sale and transfer or other disposal of a Share:
- (a) to another person who is already an Owner of a Share or otherwise party to this Deed;
 - (b) for the purpose of transmitting the Share to a legal personal representative of a deceased Owner;
 - (c) by the legal personal representative of a deceased Owner to the heir or beneficiary of the estate of a deceased Owner;
 - (d) to the spouse or child of an Owner, or family trust or company controlled by the Owner, spouse or children;
 - (e) to any person whom all the Owners have previously approved of in writing;
 - (f) to the purchaser of that Share pursuant to clause 6.4(d); and
 - (g) by the Syndicate Manager until 6 months after date of PDS approval (*The end of the subscription period*).

6.4

- (a) If at any time an Owner wishes to transfer his Share or Shares ("the proposing transferor") to any person other than a person referred to in paragraphs (a) to (e) both inclusive of clause 6.3, the Owner shall give notice in writing to the Syndicate Manager that he desires to transfer the Share or Shares in the FILLY.
- (b) The Syndicate Manager shall offer the Shares specified for sale to the Owners.
- (c) If the number of acceptances for the Share or Shares comprised exceeds the number of such Share or Shares offered for sale and in the absolute opinion of the Syndicate Manager (whose decision shall be final) no agreement can be reached between the Owners, the Syndicate Manager shall make such provision as he thinks fit for the settlement of any difficulties which may arise in regard to the transfer of such Share or Shares to an intending purchaser and may conduct a ballot in such manner as the Syndicate Manager determines, to decide who shall be the successful purchaser.
- (d) If no purchaser for a Share specified is found, the proposing transferor may then:
 - (i) sell their share to someone within their network and provide Monarch Bloodstock Pty Ltd completed 'transfer of ownership' documentation to be submitted to Racing Australia. Monarch Bloodstock will submit signed documents for transfer to be completed. The Seller is responsible for any charges from Racing Australia associated with the transfer. Payment of the share purchase is handled privately between existing and incoming owner; or
 - (ii) Monarch Bloodstock Pty Ltd will manage the sale of the share and all associated paperwork. An administration fee of \$250.00 will be charged for this facilitation, plus any fees associated with sale entry and any charges from Racing Australia for the ownership transfer. [NOTE: Racing Australia currently charges a \$118.00 fee for all ownership changes.]

6.5 A transferor of a Share shall remain liable for all obligations and liabilities attributable to that Share to the date of the transferee signing the Transfer a transferee shall be liable for all obligations and liabilities attributable to the Share from that date whether arising before or after his registration as Owner.

6.6 The Promoter has the right to sell any shares retained by the Promoter during the life of racing syndicate.

7 OFFERS TO PURCHASE

7.1 Notwithstanding Clause 6, upon receipt of any offer by the Syndicate Manager from a prospective purchaser of any proprietary interest in the horse, the Syndicate Manager shall advise in writing to each of the Owners the terms of the offer and the Owners shall advise the Syndicate Manager in writing if they accept or decline the offer made within 72 hours of receipt of the notice of offer.

7.2 The Owners agree that they each hold their proprietary interest in the FILLY severally, not joint, but notwithstanding such the Owners further agree that they are bound by acceptance of any such offer by the Syndicate Manager and other Owners (acceptance being by an Extraordinary Resolution of the Owners).

7.3 On the acceptance of the offer each Owner undertakes to perform any act required of them by the Syndicate Manager to have the sale implemented and completed.

7.4 For clarity, the minority are bound by the decision by those Owners holding in aggregate 60% or more of the FILLY's proprietorship to accept the offer to purchase all or part of the FILLY which may result in the sale of all of the Owners' interest or a proportional share of the Owners' interest.

8 NAMING THE HORSE

All owners within the horse regardless of the amount you own will have the opportunity to submit three (3) name suggestions. Once all names are collated, we put the time in to make sure which ones are available for selection. Once the list is cut down, it will be time to vote. We use a points system regardless of your shareholding; each shareholder will have four (4) points, they will submit three (3) points towards their first selection and one (1) point to their second selection. Please note a name can be rejected by Racing Australia regardless of if it is advertised as available. We will submit the top three (3) name choices.

Please check naming availabilities through <http://www.racingnsw.com.au/default.aspx?s=search>

9 COMPLAINTS

9.1 The Syndicate Manager, Racing Manager and Owners agree that all internal complaints will be dealt with in accordance with the complaints handling guidelines Australian Standard AS ISO 10002-2014 and Stable Connect Complaints Management Policy, which can be found at www.stableconnect.com.au.

9.2 If a complaint regarding either the operation of the Syndicate, the conduct of the Syndicate Manager or the Racing Manager, including the amount of any fees, expenses or levies charged under this Deed, is received from an Owner, wither verbally or in writing, then the Syndicate Manager:

- (a) shall pass on the complaint to the Complaints Officer at Stable Connect having acknowledged the complaint in writing within twenty-four (24) hours of receipt of the complaint;
- (b) must ensure the complaint is given proper consideration;
- (c) must act in good faith to correct any problem identified by the complaint as far as possible without adversely affecting the rights of third parties;
- (d) may, through the Stable Connect Complaints Officer, provide any of the following remedies:
 - (i) an explanation of the circumstances giving rise to the complaint;
 - (ii) an apology; or
 - (iii) compensation for any loss suffered by the complainant directly as a result of the conduct of the Syndicate Manager and or the Racing Manager identified by the complainant.
- (e) must communicate with the complainant within thirty (30) days of receipt of the complaint:
 - (i) the determination in relation to the complaint;
 - (ii) the remedies (if any) available to the complainant; and
 - (iii) information regarding further avenues of complaint including, subject to agreement between the parties, independent arbitration of the dispute.

9.3 If a complaint regarding the operation of the Syndicate by the Syndicate Manager is received from an Owner, then the Syndicate Manager shall inform the complainant that the complainant may be entitled to have the matter determined by conciliation or arbitration by AFCA should the complainant not agree with the proposed resolution communicated.

10 DEFAULT

10.1 If an Owner ("Defaulting Party"):

- (a) defaults in the performance of his obligations under this Deed and such default is not remedied within 14 days of being given written notice of such default by the Syndicate Manager; or
- (b) is an insolvent under administration as defined in the Corporations Act or if a corporate goes into liquidation, receivership or has an administrator or a controller appointed;

then the Defaulting Party shall not until such time as default is rectified be entitled to exercise any of the rights conferred on the Owner by this Deed (including without limiting the generality of the foregoing the rights specified in clause 2.2 and the right to attend or vote at the Owners' meetings) and the Owners may by Resolution require the Defaulting Party in relation to his Shares to sell to them (in proportion to the Shares held by them or on such other basis as the Resolution shall authorise) all such Shares by giving written notice to the Defaulting Party.

- 10.2 The purchase price for the Shares of the Defaulting Party shall be the value of the Defaulting Party's Shares as determined by a recognised bloodstock valuer nominated by the Syndicate Manager.
- 10.3 The purchase and sale of the Shares of the Defaulting Party shall be effected as soon as practicable after the price has been determined and the Syndicate Manager shall execute as trustee of the Defaulting Party all such documents and do all things as are necessary to complete such purchase and sale. For the purpose only of effecting a sale in consequence of default, the Owner in default in consideration of these presents hereby nominates, constitutes and appoints the Syndicate Manager his attorney under power to execute and do all such instruments and things as shall be necessary to sell, convey and assure a buyer the Share or Shares so sold.
- 10.4 The rights conferred by clause 10.1 shall not prejudice any other rights which the Syndicate Manager or a party to this Deed may have against the Defaulting Party.
- 10.5 The Defaulting Party shall be entitled to receive any proceeds from the sale of Shares by the Syndicate Manager not required to be applied by the Syndicate Manager in rectifying the default of the Defaulting Party under the terms of this Deed.

11 TERMINATION OF THIS DEED

- 11.1 This Deed (as it may be amended from time to time) shall have full force and effect until:
 - (a) the FILLY dies;
 - (b) is retired from racing;
 - (c) is sold; or
 - (d) the Syndicate Manager applies to and obtains a direction by order of a court for the winding-up of the Syndicate.

whichever shall occur first.
- 11.2 The FILLY shall only be retired from racing, sold, or otherwise disposed of pursuant to and in accordance with the terms of an Extraordinary Resolution of the Owners.
- 11.3 On termination of this Deed all assets of the Syndicate shall be sold and the funds paid to the Owners in proportion to the number of shares held with any Trophy held by the Syndicate Manager to remain the property of the Syndicate Manager.
- 11.4 All rights and obligations which have accrued prior to the date of termination shall not be affected or prejudiced by termination.

12 INDEMNITIES

- 12.1 The Owners acknowledge that liabilities incurred by the Syndicate Manager and the Racing Manager in the course of complying with the terms of this Deed are to be borne by the Owners and paid accordingly.
- 12.2 The Owners hereby acknowledge that as between themselves all expenses and liabilities incurred under or as a consequence of being parties to this Deed are to be borne by them pari passu to the number of Shares held. Each Owner covenants with every other Owner to indemnify and keep indemnified such other Owners against all expenses and liabilities to the extent that such expenses and liabilities are borne otherwise than in the proportions stated in this Deed provided nothing in this clause requires any Owner to indemnify any other Owner in respect of expenses and liabilities incurred as a result of a particular Owner's negligence, breach or default under this Deed or contravention of any statute.
- 12.3 No Owner shall pledge the credit of the Syndicate nor hold himself out as acting on behalf of the other Owners and if an Owner purports to do so, the Owner shall be personally liable for any debt so created.
- 12.4 The Racing Manager shall indemnify the Syndicate Manager against all liabilities, claims, losses and expenses which may be incurred through the negligence, default, fraud or dishonesty of the Racing Manager, its employees, servants or agents in respect of the duties and obligations of the Racing Manager under this Deed.
- 12.5 The Syndicate Manager and the Racing Manager agree that:
- (a) the Syndicate Manager shall remain liable to the Owners for any act or omission on the part of the Racing Manager, its employees, servants and agents as if such act or omission was an act or omission of the Syndicate Manager;
 - (b) the Syndicate Manager shall indemnify the Racing Manager from and against any liability which the Racing Manager may incur in, or which may arise from the execution of this Deed or from properly carrying out his duties or exercising his powers under this Deed or from carrying out any directions given by the Syndicate Manager and from and against all losses which may be incurred through neglect or fraud on the part of the Syndicate Manager, his employees, servants and agents; and
 - (c) the Syndicate Manager shall not be liable for any act or omission on the part of the Racing Manager, his employees, servants and agents, and the Racing Manager shall be liable to indemnify the Syndicate Manager against any loss or TAVISPIRIT (NZ)age that the Syndicate Manager suffers, if any such act or omission involved the negligence, default, fraud or dishonesty of the Racing Manager, his employees, servants or agents.

13 NO REPRESENTATION

- 13.1 Each Owner acknowledges that no representation or warranty has been made by any party to this Deed in respect of either:
- (a) the soundness or racing ability of the FILLY or the subsequent suitability of the FILLY for breeding or otherwise; or
 - (b) the reliability or adequacy of any insurance cover arranged on behalf of the Owners.

14 GOVERNING LAW

- 14.1 The law governing the terms of this Deed is the law of New South Wales and the forum for all disputes shall be the Courts of New South Wales to whose jurisdiction the parties unconditionally submit and agree to confine themselves.

15 AMENDMENT

15.1 The provisions of this Deed may only be amended with by an Extraordinary Resolution of the Owners, however, no amendment shall be made which adversely affects the right of an Owner to share prize money and bonuses from racing the FILLY or the right of an Owner to share in the proceeds of the sale of the FILLY.

16 EXECUTION

16.1 It shall be sufficient for an Owner to become a party to this Deed by executing Schedule 1 of this Deed and forwarding such a Schedule to the Syndicate Manager and such an executed Schedule may be taken as evidence of the execution of this Deed by each Owner so executing and forwarding such a Schedule. Each Owner must sign and forward such a Schedule to the Syndicate Manager immediately upon becoming entitled to be registered as an Owner.

Executed as a deed.

Executed by MONARCH BLOODSTOCK)
 PTY LTD A.C.N 665 353 248 in)
 accordance with section 127 of the)
Corporations Act 2001:)

.....
 Director/Company Secretary

.....
 Director

.....
 Name of Director/Company Secretary
 (BLOCK LETTERS)

.....
 Name of Director
 (BLOCK LETTERS)

Signed by JASON DAVID MICALLEF)
 in the presence of)

.....

.....
 Signature of Witness

.....
 Name of Witness
 (BLOCK LETTERS)

Financial Services Guide

Purpose of this Financial Services Guide (FSG)

The promotion of horse racing schemes is a financial service regulated by the Corporations Act and requires Stable Connect Limited as the holder of an Australian Financial Services Licence (“Licence”), to provide you with this Financial Services Guide (“FSG”) prior to promoting an interest in a horse racing scheme to you. This FSG is intended to inform you of certain basic matters relating to the services that we may provide to you. After reading this FSG, you will know:

- Who we are and how to contact us
- What financial services can be provided to you and how these services will be provided to you
- How we (and any other relevant persons) may be remunerated
- How to access our internal and external complaints handling arrangements

It is intended that this FSG should assist you in determining whether to utilise any of the financial services that we are authorised to provide.

This FSG contains general information only and specific information relating to the horse racing schemes promoted by us is contained in the Product Disclosure Statement for each scheme which is available on request.

About Stable Connect and its Authorised Representatives

Stable Connect Limited (ABN 13 135 494 647) (“Stable Connect”) is an Australian Financial Services Licensee, Licence No 336964.

Stable Connects’ Head Office is located at
Level 10, IBM Building, 60 City Road, SOUTHBANK VIC 3006
Ph: (03) 9629 3023
Fax: (03) 9629 3041
Email: info@stableconnect.com.au
Website: www.stableconnect.com.au

Stable Connect appoints Authorised Representatives to act on its behalf for the provision of authorised financial services. Monarch Bloodstock Pty Ltd is an Authorised Representative of Stable Connect. Stable Connect is therefore responsible for the financial services provided by it and its Authorised Representatives. Details of Monarch Bloodstock Pty Ltd are set out in the attached “Authorised Representatives Profile”. The Authorised Representatives Profile forms part of this FSG and they should be read together.

What financial services are we authorised to provide?

Stable Connect can offer financial services that include the following areas:

- Issue of interests in horse racing schemes. To obtain an interest in a horse racing scheme you need to obtain from Stable Connect or its Authorised Representatives a Product Disclosure Statement in relation to the relevant horse and complete the purchaser's acknowledgement and application
- General advice in relation to horse racing schemes. Stable Connect and its Authorised Representatives are not authorised to provide personal advice (being advice that takes into account a person's objectives, financial situation and needs) in relation to horse racing schemes.

How are we paid and how will you pay for the service?

There is no charge for general advice given to you by Stable Connect and its Authorised Representatives relating to the acquisition of an interest in a horse racing scheme. If you do choose to invest in one of Stable Connect's horse racing schemes you will be required to pay the purchase price for your relevant interest in that scheme. The purchase price for an interest varies according to the particular horse that is the subject of a racing scheme and the number of participants in that scheme. The Product Disclosure Statements for Stable Connect's relevant syndicated horses contains details of the purchase price.

As stated above Stable Connect and its Authorised Representatives do not charge for giving general advice in relation to horse racing schemes. In relation to the interest in a horse racing scheme, the purchase price that you pay Stable Connect or its Authorised Representatives represents a proportion (based on the number of participants in the scheme) of the acquisition costs for that horse, the costs of promotion (a breakdown of these costs is contained in the Product Disclosure Statement for each syndicated horse) and in some cases a margin.

Is an interest in a horse racing syndicate an investment suitable to my needs and financial circumstances?

As stated above, Stable Connect and its Authorised Representatives give general advice only and do not give personal advice that takes into account an investor's objectives, financial situation and needs.

A horse racing syndicate is a speculative investment with its own risks and each investor should obtain their own independent advice as to the suitability of such an investment for them. A copy of the Product Disclosure Statement for each horse racing scheme containing important details about that scheme is available to you on request and we suggest you study it prior to making any decision to invest.

How can you access Stable Connect's complaints handling arrangements?

Stable Connect is a member of the Australian Financial Complaints Authority (AFCA).

If you have a complaint about either the advice that Stable Connect or its Authorised Representatives has given you or about an interest in a horse racing scheme that you have acquired from us, you should take the following action:

1. Speak to the Authorised Representative in the attached profile about your concerns, or
2. Contact us on 03 9629 3023 and ask to speak to our Professional Standards Manager.

If after speaking to the Authorised Representative or our Compliance Officer, your complaint is not resolved within five (5) days, please put your complaint in writing and send it to us, addressed to:

Professional Standards Manager,
Stable Connect Limited
Level 10 IBM Building
60 City Road
Southbank Vic 3006

Whilst every endeavour will be made to resolve the matter promptly and impartially, if you are not satisfied with how your complaint is dealt with, you can elect to refer the matter, free of charge, to the AFCA. AFCA can be contacted on 1300 931 678. You can also write to them at:

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Fax: 03 9613 6399
Email: info@afca.org.au
Website: www.afca.org.au

Professional Indemnity Insurance

Stable Connect is required to have adequate Professional Indemnity Insurance in place to cover us and our Authorised Representatives for liability arising from the financial services we provide. Stable Connect obtained Professional Indemnity Insurance from Dual Australia Pty Ltd on 20 August 2009 which is renewed annually. The policy incorporates cover for all current and past employees of the promoter associated with this promotion at the time of registration.

Authorised Representatives Profile

This Authorised Representatives Profile is part of the Stable Connect Ltd (Stable Connect) Financial Services Guide (FSG) and should be read in conjunction with this document.

Who is the Authorised Representative?

The Authorised Representative entity is Monarch Bloodstock Pty Ltd,
ACN 665 353 248 Authorised Representative number 001303707.

Business Address: 10 Bundanoon Rd,
WILTON NSW 2571
Telephone: (+61) 430 170 333
Email: jason@monarchrs.com.au

And the individual adviser appointed by this company to provide the service is:

Jason Micallef, Authorised Representative No 001303708

What kinds of financial products and services can Monarch Bloodstock Pty Ltd provide?

Monarch Bloodstock Pty Ltd and its Authorised Representative have been authorised to:

- Provide general advice in relation to horse racing schemes.
- Issue interests in horse racing schemes