



SYNDICATORS OF QUALITY RACEHORSES
AFS Licence No: 284969

PRODUCT DISCLOSURE STATEMENT (“PDS”) AND MANAGEMENT AGREEMENT

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 QUEENSLAND RACING and INTEGRITY COMMISSION with the following information, together with the Application for Approval of the Product Disclosure Statement.

Note: QRIC 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 QRIC 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.

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 QRIC. No responsibility as to the contents of the PDS is accepted by QRIC or any of its officers, employees or agents. QRIC 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: SUPREME SYNDICATIONS AFSL: 284969

Address: PO BOX 32 LEPPINGTON NSW 2179

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

NIL ASIC Reg No: ----

Address: -----

Name of Manager (or process to be followed to appoint Manager): FRANK GALLUZZO

The purpose for which the syndicate is being formed:

THE SYNDICATE IS BEING FORMED TO OWN AND RACE THE HORSE FOR PRIZEMONEY AND PLEASURE

The number of shares in the syndicate:

***** 20 Shares of 5% each *****

Percentage of the horse for Public Promotion: ***** 100% *****

The total value of the scheme does not exceed \$500,000

The total participants in the scheme will not exceed 50

The purchase price of each (5%/other) share (including GST):

***** 5% SHARES \$1842.50 INC G S T and 10% SHARES \$3685 INC G S T *****

A description of each horse to be owned or leased by the syndicate,
i.e. date of foaling, sex, sire, dam and colour:

*

*****BAY FILLY FOALED 27/9 /18 by YOUR SONG / MY CHERIE *****

A statement as to whether the horse is registered; if registered the registration number:
THE HORSE IS NOT REGISTERED

If not, has an application to Register or a Transfer been submitted?

THE HORSE WILL BE REGISTERED IN THE NEW OWNERS NAMES PRIOR TO RACING

Details of racing performance(s) of the horse (if raced):

*****UNRACED*****

Details of the performance of the Sire: ***** GROUP 1 WINNER

Details of the performance of the Dam: *****CITY WINNER

Name of proposed Trainer and where the horse is to be stabled (confirmation letter attached):

***** TONY GOLLAN ---DOOMBEN QLD

Details of proposed ongoing expenses to be incurred by members (see attached):

MEMBERS WILL BE LIABLE TO PAY THEIR SHARE OF TRAINING FEES, SPELLING FEES, VETERINARY FEES AND OTHER INCIDENTAL FEES AS INVOICED DIRECTLY BY THE PROVIDER. THE ESTIMATED COST FOR A 5% SHARE IS \$50 PER WEEK.

The Promoter has or will receive the following administration fee from the Trainer (amount per share): \$NIL

THE PROMOTER HAS NOT AND WILL NOT RECEIVE ANY FEE WHATSOEVER FROM THE TRAINER

Monthly Management Fee per share: \$ ***** NIL *****

Management services to be provided by the Promoter or Manager (as relevant):

THE MANAGER WILL PROVIDE A FORTNIGHTLY HORSE PROGRESS REPORT WHILE THE HORSE IS IN PRE TRAINING OR SPELLING. THE TRAINER PROVIDES A HORSE PROGRESS REPORT WHEN THE HORSE IS IN TRAINING AND RACING.

COST SCHEDULE

PRICE AT VALUATION	\$30000*****
SPELLING FEES	
BREAKING IN FEES	\$3500 *****

INSURANCES
BROCHURES AND ADVERTISING
OFFICE, PI INSURANCES AND VET CERTIFICATES
& VALUATIONS
PROMOTER'S MARGIN

ADD GST	\$3350 *****
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TOTAL INCLUDING GST	\$36850 *****
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SHARE PRICE 5% \$1842.50 and 10% \$3685.00 *****

A statement that the Manager will manage the syndicate in accordance with the syndicate agreement and any rules, regulations or guidelines made by the Lead Regulator in relation to the Manager or management:

THE MANAGER WILL MANAGE THE SYNDICATE IN ACCORDANCE WITH THIS AGREEMENT UNTIL REMOVED BY A MEMBER`S MAJORITY VOTE. MANAGERS WILL AT ALL TIMES DURING THE RACING CAREER OF THE HORSE AND COMPLY WITH ANY RULES, REGULATIONS OR GUIDELINES MADE BY THE LEAD REGULATOR IN RELATION TO THE MANAGER OR MANAGEMENT.

How did the Promoter obtain the horse and the purchase price paid by the Promoter (include the passed-in price if applicable):

*****THE HORSE WAS BRED BY ROMIAN Pty Ltd t/as SUPREME THOROUGHBRED STUD AND IS OFFERED FOR SYNDICATION AT MARKET VALUATION *****
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A valuation by a qualified bloodstock valuer, who is independent of the Promoter, 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:

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*****VALUED BY BLUEGRESS BLOODSTOCK *****

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.

*****CERTIFICATE FROM JOHN CROWLEY of SILVER PINES VETERINARY CENTRE *****

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

THE CERTIFICATES COME FROM QUALIFIED AND ETHICAL SOURCES AND THE PROMOTER HAS NO REASON TO DOUBT THEIR ACCURACY AND CORRECTNESS.

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:

NO UNTOWARD FACT OR OCCURRENCE KNOWN TO THE PROMOTER WHICH WOULD MAKE THE CERTIFICATES INACCURATE.

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

THE HORSE IS CURRENTLY OWNED BY ROMIAN Pty Ltd t/as SUPREME SYNDICATIONS 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 QRIC before or on registration of the syndicate with QRIC

A VENDOR RELEASE WILL NOT BE NECESSARY AS THE PROMOTER BRED AND OWNS THE HORSE AND IT WILL DEVOLVE TO THE SYNDICATE WITH UNENCUMBERED TITLE ON REGISTRATION

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 QRIC
THE SUBSCRIBERS WILL RECEIVE UNENCUMBERED TITLE TO THE HORSE UPON THE 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 QRIC, confirm to QRIC 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:

NOT APPLICABLE AS THE PROMOTION IS NOT FOR A LEASED HORSE

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:

SUBSCRIPTION MONIES WILL BE HELD IN A TRUST ACCOUNT UNTIL THE SCHEME IS REGISTERED OR REFUSED TO BE REGISTERED BY QRIC

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:

ALL EXPENSES FOR WHICH MONEY HAS BEEN COLLECTED FROM SUBSCRIBERS WILL BE PAID IN FULL PRIOR TO REGISTRATION OF THE HORSE, OR IF THE SERVICE IS NOT YET RENDERED, THAT MONIES WILL BE HELD ON ACCOUNT UNTIL RENDERED AND THEN DISCHARGED

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.

IF THE SYNDICATE IS NOT FULLY SUBSCRIBED WITHIN SIX MONTHS FROM THE DATE OF PDS APPROVAL, ALL MONIES PLUS INTEREST WILL BE REFUNDED TO INVESTORS.

Details of any cooling off regime:

A COOLING OFF PERIOD OF TEN DAYS IS GIVEN TO SUBSCRIBERS. NOTICE IN WRITING PRIOR TO EXPIRY OF TEN DAYS IS REQUIRED INDICATING INTENTION TO NOT PROCEED WITH THE INVESTMENT IF A REFUND IS REQUIRED.

A statement regarding any conflict of interest or perceived conflict of interest:

THERE ARE NO KNOWN OR SUSPECTED CONFLICTS OF INTEREST. 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 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:

THE PROMOTER WILL REGISTER THE SYNDICATE WHEN SUBSCRIPTION MONIES FOR THE FINAL SHARE IS RECEIVED OR AT THE EXPIRATION OF SIX

MONTHS FROM THE DATE OF APPROVAL OF THIS PDS WHICHEVER FIRST OCCURS.

A statement of Industry risks:

THIS PRODUCT IS FORMED TO RACE THE HORSE FOR ENJOYMENT AND PRIZEMONEY. NO GUARANTEE IS GIVEN THAT THE HORSE WILL ACHIEVE ITS GOAL OF BECOMING A SUCCESSFUL RACEHORSE AND EARN PRIZEMONEY. THIS PRODUCT IS PROTECTED BY PROMOTER UNDERTAKING TO REFUND SUBSCRIPTION AMOUNTS HELD IN TRUST IF THE HORSE DIES OR IF INJURED PRIOR TO REGISTRATION OF THE SCHEME.

Information about the dispute resolution processes available to the subscriber:

COMPLAINTS ARE TO BE DIRECTED TO THE MANAGER AND WILL BE RESOLVED BY FOLLOWING PROCEDURES IN THE INTERNAL DISPUTE RESOLUTION MANUAL. IF NOT RESOLVED WITHIN SEVEN DAYS SUBSCRIBERS CAN REFER THE DISPUTE TO THE FINANCIAL OMBUDSMAN SERVICE LTD, GPO BOX 3, MELBOURNE VIC 3001.

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).

PRIOR TO REGISTRATION OF THE SCHEME A PARTICIPANT MAY ELECT TO HAVE THE HORSE TESTED FOR A PROHIBITED SUBSTANCE UNDER AUSTRALIAN RULES OF RACING. COST OF TESTING TO BE BORNE BY ALL PARTICIPANTS WHETHER OR NOT THEY ELECTED TO HAVE THE HORSE TESTED.

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: _____

Signature of Manager (if applicable):

_____ Date: _____

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

Signature of Promoter:

_____ Date: _____

Signature of Manager (if applicable):

_____ Date: _____

Statement of Subscriber

I declare that I have read the PDS and Management Agreement shown above and agree to be bound in all respects by the terms and conditions therein. I undertake to be bound by and comply with the Australian Rules of Racing and the governing body, Racing NSW. I declare that I am not a disqualified person or subject to any disability under the Australian Rules of Racing:

Name of shareholder: _____

Address: _____

Signature of Shareholder: _____ Date: / /

