

Two-year-old Prospectus 2016



PREPARED: July 2015

Ownaracehorse has syndicated 2YO's every flat season for the last ten years, and this prospectus is an explanation of how you may enjoy the ownership of young, unexposed horses at a value-for-money, set price.

OVERVIEW

You are invited to become involved in the Ownaracehorse 2YO syndicates and own shares in a 2YO racehorse for the 2016 flat season. The syndicate starts when the yearlings are bought and runs until the end of the 2016 turf season, after which shareholders are paid out their share of prizemoney and sale value. ***This is small share, outright ownership, where owners benefit from any increase in the horses value.*** To get involved: all that is required is a £250 bond in order to be part of the share choice and allocation process once the horses are purchased.

1. Objective

To race up to five juvenile horses through the 2016 turf season for the pleasure and fun of their owners, but also to attempt to achieve breakeven or better on sales of horses and prizemoney combined earned by November 2015.

Owners can become involved in up to five 2YO's for the 2016 season - and own a small outright share in one or more. Every Owner will benefit from full rights to Owners Badges and their share of prizemoney from each share. The primary objective is to enjoy some excellent days out at the races and for shareholders to be in touch with their trainer and what's happening with their racehorses at all times. Our online 'Racehorse Manager' is a leader in the field when it comes to the management of racing information and shareholders interests.

2. Purchasing and Management

Ownaracehorse Ltd, led by our Managing Director, Mr Richard Laws, will purchase between four to six yearlings from the recognised sales at Doncaster, Tattersalls or Goffs Yearling Sales from August 2015 through to December 2015.

The average price of the yearlings will be about £4,000, with a spread of £1000 up to £10,000. This is not a huge budget per horse, but the objective of the exercise is to select horses which will be early and sharp enough to both race and win as juveniles during the 2016 flat season. We will attempt to achieve an official rating of 70 to 80 with each horse, which should ensure a return on the overall outlay when they are sold. **However, you must understand that a profit is not guaranteed.** Because we are buying cheaply, we average the prices of all our horses to make the process of buying them straightforward for shareholders. Experience has shown that the cost of the horses almost never indicates racecourse ability when buying 2YO's in this price range - so shareholders can choose the most expensively bought horses if they wish - but this is no guarantee of wins on the racetrack. Our best horse in 2014 was bought for only £800 plus auction commission at Tattersalls October Yearling Auction, our best horse in 2015 cost £8,000.

The horses will be sold either privately or at public auction or could be given away to a good home by November/December 2015 latest. Should a horse be retained for a 3YO career and not sold, any shareholders leaving the syndicate will receive a valuation equal to the original purchase price. Shareholders who remain for another season will receive preferential rates for training.

3. Training and Racing

Each yearling purchased will be broken and pre-trained by either Ollie Pears at his yard in Malton, North Yorkshire or Seamus Durack, based at Lambourn, Wiltshire. Ollie has handled the purchase and training of our youngsters for many years and he is a trusted partner in all our 2YO syndicates. His record with youngsters speaks for itself - and his ability to purchase value-for-money youngsters is not in question. Seamus was given our first horse in 2015, and we expect to increase the number of 2YO's with him in 2016. Ownaracehorse will be responsible for all racing and training decisions in consultation with the shareholders.

4. The Costs

The cost of becoming involved with a 2YO's could be as little as **£575 inc VAT per horse** for the entire year.

% in each horse	Cost per % (inc VAT)
1.0	£575 (North) £665 (South)
2.0	£1110 (Northern based) £1290 (Southern based)

Our method of funding is a single, one-off up-front payment to cover the purchase, training and running of each racehorse for the entire season. The only extra cost will be:

- If an individual horse is to be entered into a 'Yearling Bonus' scheme or into valuable sales races or travel abroad for races;
- If an individual horse's sales fee is above the maximum expected value (£10,000), when the difference between £10,000 and the purchase fee, inclusive of all costs and

taxes must be paid. Eg. if a horse costs £20,000 all inclusive, then a 1% share in the South would be £665 plus 1% of £10,000 (£100);

Each shareholder will become **an outright shareholder** their racehorse. Remember, these prices **include** the cost of your outright share in the racehorse.

If you are interested in shares which are 3% or above, then we have our standard 'Private Service' available - please contact us for details.

5. How it works

Shareholders choose a 2YO they wish to be a part of from those available in November/December after the sales - at our yearling parade at the Malton yard, or by telephone/email based on the information we provide.

Each racehorse has the following number of shares per horse:

1% shares - limited to 8 per horse

2% shares - limited to 6 per horse

We allocate on a first-come first-served basis. Allocations are made by December 15th 2015 at the latest, following our 2YO parade at the Ollie Pears and Seamus Durack yards. **Shareholders who make a bond payment before December 1st 2015 are given preference in selecting their 2YO's.**

All prizemoney or sales revenue will be reported and amassed on an ongoing basis and distributed by November 30th 2016. Where possible, shareholders may be able to become involved with naming their horses.

To be clear, the cost to each shareholder is fixed whatever type of season each racehorse experiences. If any of the horses are unable to race, either through injury or robustness, no replacement or refunds can be made. This is the chance we all take with young 2YO's and our low prices reflect the fact that not every 2YO will race through the entire season.

6. Other Considerations

Given the low cost of each racehorse and very high cost of cover we do not utilise equine insurance.

Ownaracehorse runs a syndication business, and therefore has a need for these horses to race and give owners fun at the track. The decision on the types of horses chosen will be driven by the need to find early, 2YO types which can be racing by June 2016. We do buy some late maturing or middle-distance bred horses to be involved in our syndicates but this will be made very clear to shareholders before purchase.

At all times, the best interests of the horses will be the primary driver, followed by the racing and commercial interests of the owners. We have no interest in preparing horses for betting purposes and horses will always run on their merits with the goal of increasing auction or paddock value. We always find horses decent homes when go out of training and we never euthanase a horse. We have several livery and re-training yards for this purpose.

All horses will run under the syndicate name of 'Ownaracehorse' and will carry the Ownaracehorse colours.

If you have a 5% share or above in an individual horse we will **guarantee you one**

free owners badge each time the horse runs. Shares of lower value will gain one free or discounted owners badge (usually costing £5.00 to £15.00) for every run.

Important: Owning shares in racehorses, especially young un-raced individuals is extremely high risk. You should not enter into ownership if you cannot afford to lose your entire investment and it is entirely possible that some 2YO's may not get to the track until late in the season, or at all. You should not invest in 2YO's and expect more than 2-5 runs from them in a season.

6. The Next Step

A £250 bond is payable to become involved. This is non-refundable, and credited against the final cost of the horses/shares you choose to become involved with in November/December. Only shareholders with paid-up bonds will be eligible to choose their horses for the season in December 2015.

Bonds can be paid by credit/debit card or cheque. Please call the number below or send your bond cheque to:

Ownaracehorse Ltd (2016 2YO's)
PO BOX 820
YORK
YO31 6DW

Please feel free to **contact Richard on 01904 591051** to discuss in more detail about becoming an outright shareholder with our 2016 two-year-olds.