

**“Industry experts on
investing in
Thoroughbred
Racing.”**



Starblue Consultancy
Thoroughbred Investment Advisors







Thoroughbred racing is a unique and exciting investment opportunity. It is celebrated around the world as an elite sport and is followed religiously by millions of ardent fans. The high society fashion, traditional festivities and adrenaline packed action make for an experience like none other. However, behind all of the glitz and glamour of racing lies a serious investment market where billions of dollars stand to be earned globally in prizemoney each year. Vast numbers of people venture into racecourses around the world for the very first time each year and are enamoured by the thrill and excitement of this fascinating sport.

Many dream of the day when they may be able to call one of these magnificent animals their own. However, the lack of industry knowledge, and financial obligations of everyday life make these dreams hard to pursue. Starblue Consultancy was formed to address this obstacle that investors face. Conventionally potential investors would approach a bloodstock agent to assist with purchase of horses. However, once the sale is effected, investors are generally left to fend for themselves. However, at Starblue Consultancy we appreciate that the decisions that follow are crucial to realising the full potential of the purchased horse. Therefore, our service to our clients encompasses their entire journey as an owner from purchase to retirement. We will advise you on crucial decisions at every step of the way so you can sit back and enjoy the journey of racehorse ownership.

First time investors will benefit from the simplicity of the process in investing with us while experienced investors will gain a crucial edge from our in-depth industry expertise.

Investing in Overseas markets

Stock market traders look for the best performing stocks and real estate investors look to invest in regions that promise the greatest levels of appreciation. Similarly, investors in horse racing would benefit from investing in the market that promises the highest rate of return.

Australian racing has been booming in the last couple of decades and prizemoney has leap frogged. Australia is the second largest racing jurisdiction in the world by number of horses and industry professionals surpassed only by the United States of America. Racing is well regulated and investor confidence is consequently high. Australian racing has strong ties to the European racing industry and an increasing number of Europeans are investing in Australia.

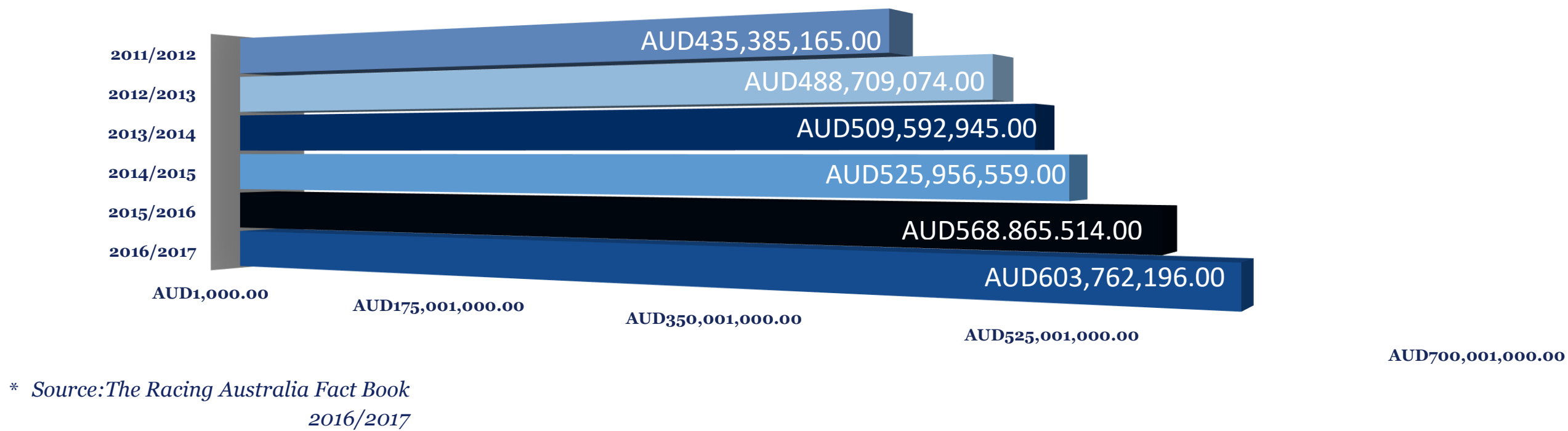
Starblue Consultancy has representatives around the globe. We can assist you with investments in Dubai, United Kingdom, Ireland, France and Australia. The next few pages shows the key industry statistics. Contact us today to further evaluate your options and we will be happy to assist you and offer an appropriate investment strategy tailor made for you.

Comparison of prize money by country in 2016

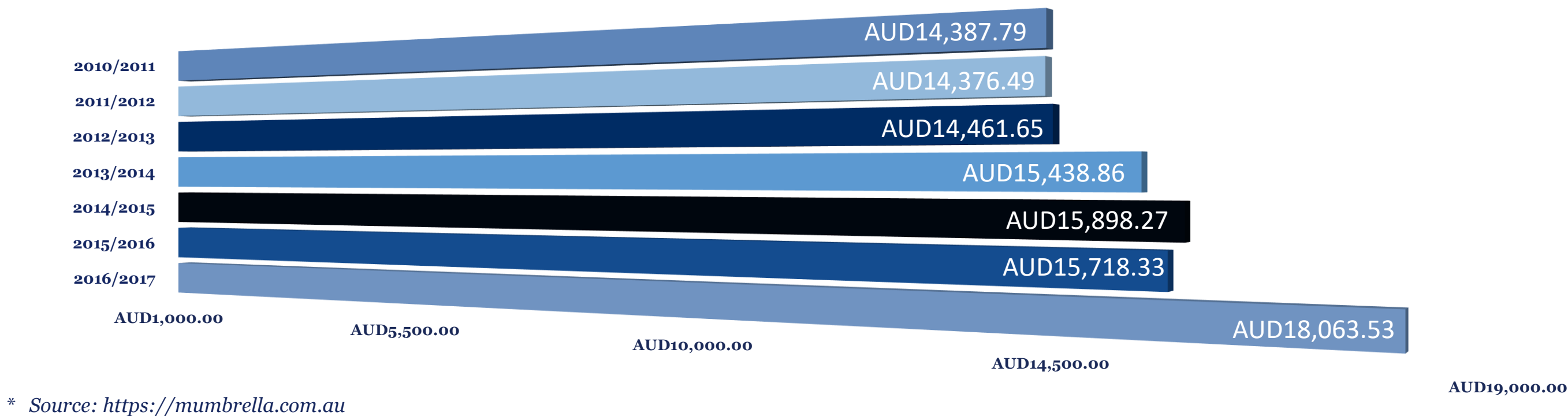


**Prize money increases calculated as per figures provided by the International Federation of Horse Racing Authorities Annual Report, 2016*

Prize money Australia wide from 2011 to 2017



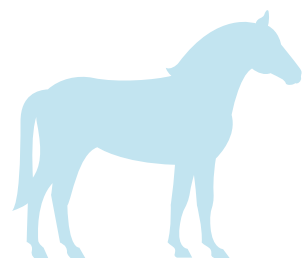
Total betting turns over from Horse Racing in Australia (\$M)



The growing popularity of racing in Australia is perhaps best illustrated by the increasing amounts of betting turn over. The last few years has seen an increase in total betting turn over by nearly four million (AUS) dollars. This is largely due to the Australian punters’ proclivity for gambling. Robust betting figures indicate that the future of racing in the country is secure. Please note that these betting statistics have been included merely to highlight the financial strength and overall popularity of the industry. Our evaluation of Australian racing an investment destination is based purely on prize money returns and comparison of training costs.

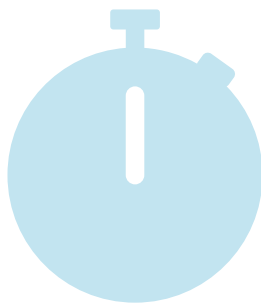


Australian Racing Statistics (2016/2017)



**Total Horses in
Australia**

35,309



**Total Trainers in
Australia**

3,342



Total Races in Australia

19,235



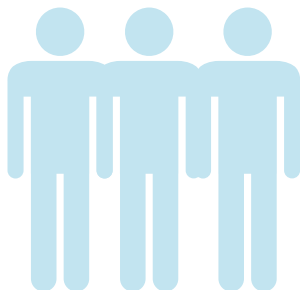
**Total Prize
Money**

\$671,161,297



**Number of Racing
Syndicates**

5,381



**Number of
Syndicate Members**

28,903



**Number of
international
Syndicates**

81



The number of new owners registered in 2016/2017, indicate that investors are bullish about the racing industry as an investment. In particular there has been a newfound interest from international investors who recognise the exceptional value of the Australian racing product. In 2016 /2017 alone there were 43 new owners from Ireland and 38 from Great Britain.

Get involved now before the influx of new investors drive prices through the roof.

The success of the Australian racing industry is evidenced by the growth it has seen in numbers over the last decade. As investors continue to line up for a slice of the pie, the industry has been constantly expanding to provide for the increased investor appetite. As these statistics indicate, there are plenty of investment opportunities available. However, like any industry witnessing a rapid growth, investors should be wary of opportunistic businesses and overpriced investments. In order to evaluate the merit of available investment opportunities, you will need the assistance of industry experts who are familiar with the local landscape and have a deep understanding of the industry.

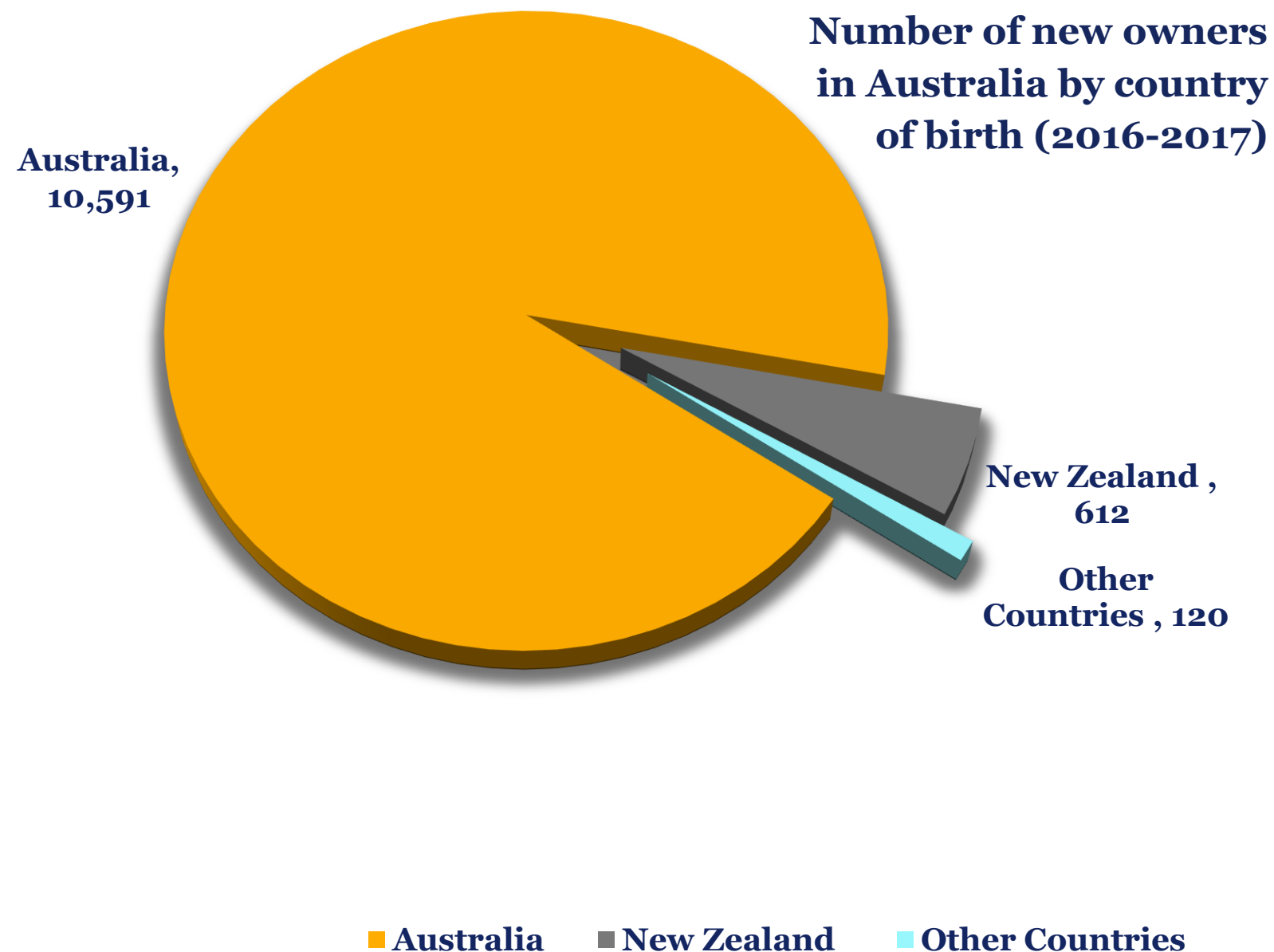
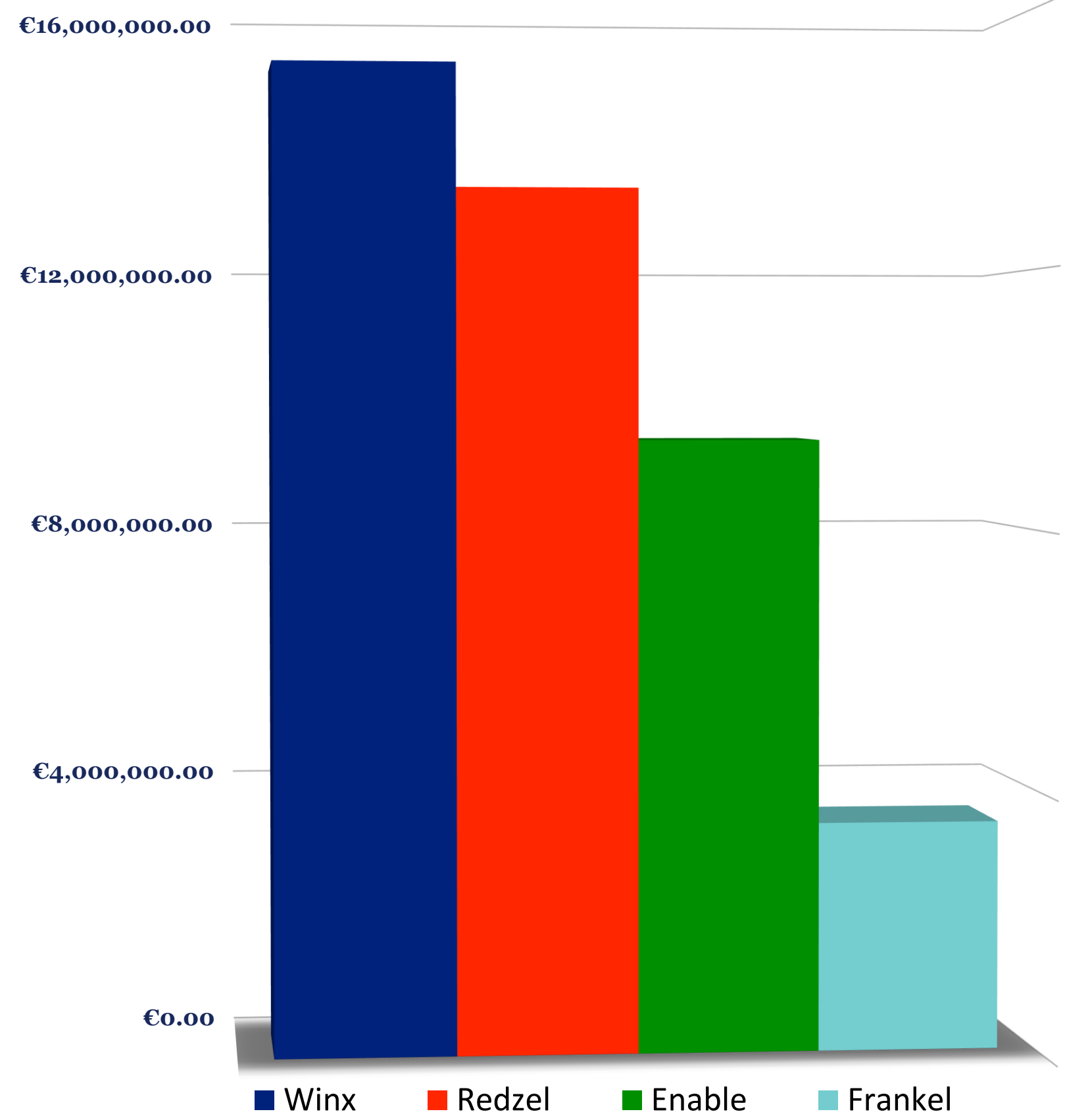




Photo: Sarah Ebbett

A comparative analysis

The savvy investor will seek out the opportunities that offer the highest returns on investment. Australian racing has significantly higher prizemoney on offer than most of the countries. In addition, cost of training is competitive and racing is well regulated. Australian racing is becoming increasingly more accessible and races can be viewed in real time from any corner of the world. Racing syndications and individual trainers have become very proactive in communicating with clients. Owners are constantly updated on the progress of their investments thanks to the convenience of social media platforms. All of these reasons make Australian racing a convenient option for the international investor.



A comparison of prize money earned by the British Century stars **Frankel** and **Enable** versus his Australian superheroes **Winx** and **Redzel**. This graph highlights the stark differences in prize money on offer in Australia compared to other major Horse Racing countries.



Photo: Sarah Ebbett

Distribution of flat races by Country (2016)

- Argentina

■ Austria

■ Belgium

■ Canada

■ Croatia

■ Czech Republic

■ France

■ Great Britain

■ Hong Kong

■ India

■ Italy

■ Japan

■ Macau

■ Mauritius

■ Morocco

■ Norway

■ Panama

■ Poland

■ Saudi Arabia

■ Singapore

■ South Africa

■ Switzerland

■ Turkey

■ USA

■ Venezuela
- Australia

■ Bahrain

■ Brazil

■ Chile

■ Cyprus

■ Denmark

■ Germany

■ Greece

■ Hungary

■ Ireland

■ Korea

■ Lebanon

■ Malaysia

■ Mexico

■ New Zealand

■ Oman

■ Peru

■ Qatar

■ Serbia

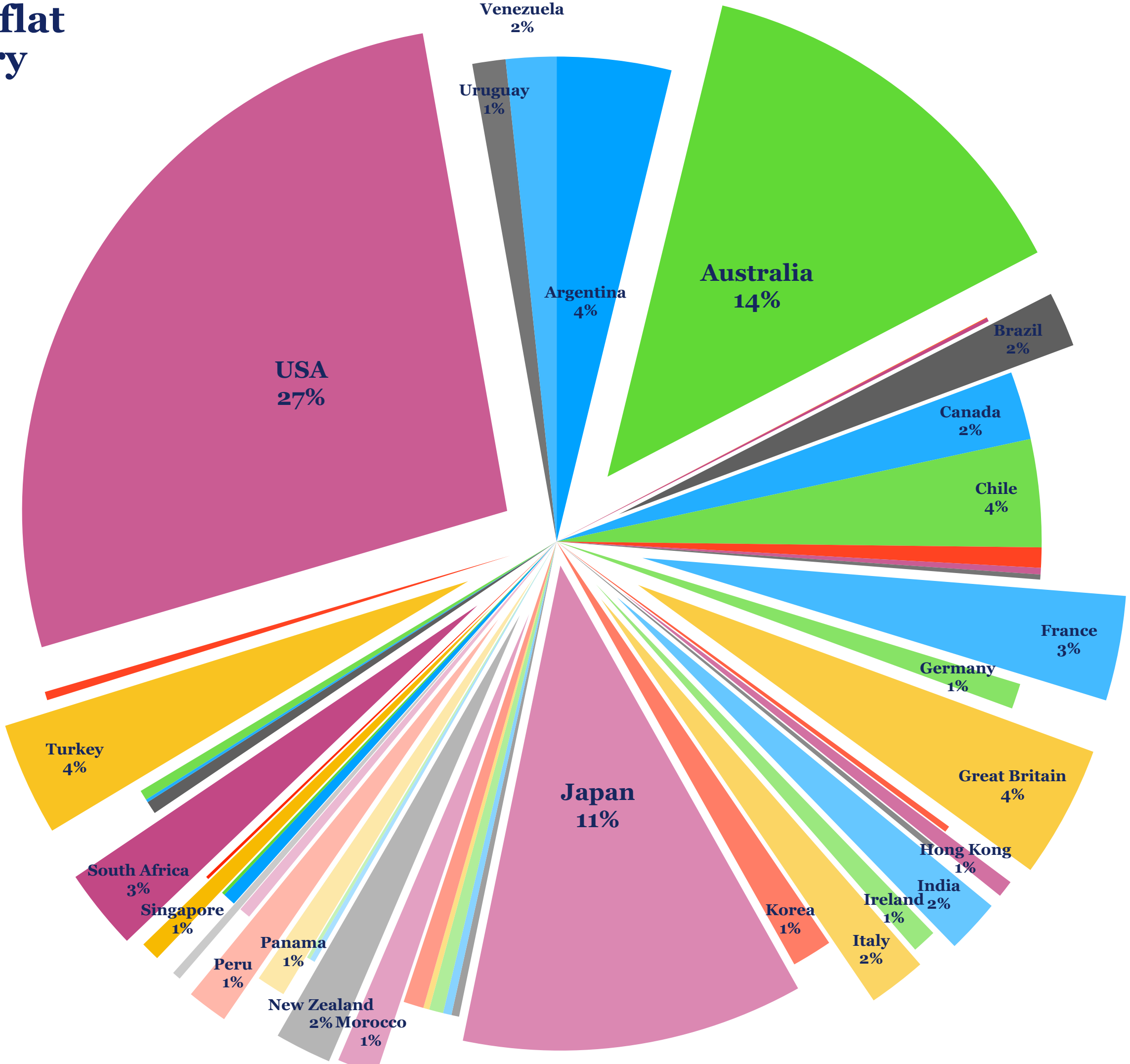
■ Slovakia

■ Sweden

■ Tunisia

■ UAE

■ Uruguay



Snapshot (Australian Racing in review)

Participation

184,000+ starters in Australian races every year

371 Australian Racing Clubs

4.5+ million attendances at race meetings every year

100,000+ racing club members

230,000+ employees, participants and volunteers

Economy

5.0+ billion in value added

49,000+ full time equivalent jobs

\$610+ million in taxes paid to State Governments

\$560+ million in taxes paid to Federal Governments

Global Reach

700+ million Worldwide audience for the Melbourne Cup

22 countries importing Australian racehorses

20+ northern hemisphere international horses compete in the Melbourne Spring and Sydney Autumn Carnivals combined

\$750+ million international exports Investment

\$1.1+ billion invested annually by breeders, owners and trainers

100,000+ racehorse owners investing in Australian racing

Australian Thoroughbred racing on a world stage

Rank	Starts	Black type races	Prize Money	Foals born
1	USA	USA	USA	USA
2	Australia	Australia	Japan	Australia
3	Japan	Great Britain	Australia	Ireland
4	Great Britain	France	France	Japan
5	France	Argentina	Great Britain	Argentina
6	Chile	Japan	Korea	Great Britain
7	Argentina	South Africa	Turkey	France
8	Italy	Brazil	Hong Kong	New Zealand
9	South Africa	New Zealand	Ireland	Brazil
10	New Zealand	Ireland	Italy	Canada

“On a per capita, basis Australia has arguably the strongest racing industry in the world. Even in aggregate terms the Thoroughbred Racing Industry ranks in the top 3 racing industries in the world on all industry indicators notwithstanding its much smaller population and economy vis a vis competitors such as the US, Japan, Great Britain and France.” *

* Source taken from the Interactive Gambling Amendment (Sports Betting Reform) Bill 2015 Submission 19 - Attachment 5

Why Invest in Australia

Any horse owner will tell you, there is possibly no greater happiness than seeing your progeny winning and sharing that happiness with your Club co-owners.

However, the feeling and emotion involved in being a winning racehorse owner is also positive in different aspects. Please see below the benefits:

1- Winnings Not Taxable

2- Capital Gains Tax exemption if horse interest cost \$10,000.00 or less

3- Non- Residents are not Taxed on capital gains on Racehorses



Sourcing Thoroughbreds in Australia

Australia is home to the second largest thoroughbred breeding industry in the world, after the USA. In 2016 a total of 12,653 foals were bred in Australia as compared to 4,663 in Great Britain and 9,381 in Ireland. Australian sprinters in particular have created a name for themselves and are widely regarded as the best sprinters in the world. Australian sprinters such as Black Caviar, Takeover Target, ExceedandExcel, Starspangledbanner and many more have helped cement this reputation. If you are looking for the next winner of the July Cup or the Diamond Jubilee Stakes in the UK or the Flying Five Stakes in Ireland, you had probably best be doing your shopping in Australia. The world's best head down under every year to auctions around Australia with the likes of Goerge Moore (Hong Kong), Mike de Kock (South Africa) being regular features.

In fact a total of 1,635 thoroughbred were exported from Australia to various corners of the world in the year 2016/2017. In 2013, a total of 362 yearlings were sold for almost AU\$38M to overseas buyers.

Due to the large number of thoroughbreds bred in Australia, it is not uncommon to see horses being sold at prices significantly below the industry benchmark.

Starblue Consultancy can assist investors looking to take advantage of this opportunity by sourcing horses from Australia.

Starblue Consultancy also assist sourcing thoroughbreds from the countries we are located such as United Kingdom & Ireland.

Please visit our website to know more: www.starblueconsultancy.com

** Sources: International Federation of horse racing authorities annual report (2016) and Thoroughbred Breeders Association Australia website*





Welfare and Retirement

The Australian racing industry is committed to the welfare of the animals that are at its heart. Best practices are strictly implemented across the board and that commitment to the welfare of these spectacular athletes is continued in their retirement.

The establishment of the "Living Legends" retirement home for veteran stars of the turf and innovative initiatives like the "Jump Off" series are a testament to the Australian racing industry's commitment to their equine participants. When you choose to race a horse in Australia, you can do so without any reservations and be rest assured that your pride and joy will continue to be cared for even in its twilight years.



Jump Off (2018) is a high stakes show jumping competition and television series showcasing off the track thoroughbreds and some of the biggest horse racing and equestrians names in Australia. Watch as five teams of racehorse trainers and show jumping riders battle it out for AU\$100,000. The series will be broadcast on Seven Network and racing.com.

** From the Jump Off website, www.jumpoff.com.au*

The winning Edge

The success of any investment is governed by the expertise of the investor. Industry experts should be consulted when investing in any market.

Starblue Consultancy are industry experts in the field of Thoroughbred racing. Our Racing Consultants are meticulously selected based on decades of hands on experience in the racing industry rather than sales and marketing acumen. Their in-depth knowledge of the industry gives them a keen insight into the intricacies of the game. When it comes to determining success at the track where races are won and lost by the narrowest of margins the smallest details can have huge implications.

Acquiring the right horse is only half the battle. Getting the best out of your investment is the greater challenge. Through keen observation and timely action our team will ensure that your investments are afforded the best chance at realising their full potential.

Contact our friendly team today and enquire how we can assist you.

Starblue Consultancy can assist you in the following areas:

Auction Purchases

Identifying and purchasing tried horses

**Evaluating horses offered by syndications and horse
trainers**

Overseas Acquisitions

Ongoing management

Starblue Consultancy is committed to assisting investors and believe that everyone deserves a chance to experience the joy of racehorse ownership.

We understand that such services are often cost prohibitive to the smaller investor. Therefore, we offer a **FREE** service to first time owners whose investment is less than AU\$500.00.

Types of ownership

Sole Ownership: Purchase a horse either from the auctions, a stud farm, a trainer, off another owner and race it by yourself.

Join Ownership: Purchase a horse together with friends and share the expenses and rewards

Syndication: Purchase a share (or multiple shares) in one or more racehorses from a syndication company



other novel ways to invest

Besides owning a racehorse of your own there are other ways to invest in the racing industry. Some of these are:

Pin-hooking: buy a weanling or a yearling and re-sell it in a few months' time as a two-year-old or ready to run. The type of horse you purchase, and the pedigree are crucial to the success of this plan.

The Everest: is a fourteen-million-dollar race held at the Royal Randwick racecourse (Sydney) every October. There are twelve slots available to be purchased by any investor at a cost of AU\$600,000 each. Slot holders may nominate any horse to represent their spot in exchange for a portion of the winnings.

Brown Colt
Brazen Beau x
Original Choice

Inglis
Est. 1887



Our Classic Fee Structure

Starblue Consultancy offer two methods of payment.

- 1) A conventional flat fee structure based on the purchase price of the horse payable at the time of purchase.

Purchase price up to AU\$50,000 Flat fee of AU\$1,000 or 9.5% of purchase price whichever is higher.

Purchase price over AU\$50,000 but less than AU\$300,000
Flat fee of AU\$5,000 or 7.5% of purchase price whichever is higher.
This amount is capped at AU\$20,000.

Purchase price over AU\$300,000 Flat fee of AU\$20,000 or 5% of purchase price whichever is higher. This amount is capped at AU\$50,000.

- 2) A unique and industry first ***NO WIN, NO FEE*** service. Clients can instead commit to relinquishing a 10% obligation free share* in the the purchased horse as a fee for services. This revolutionary practice will ensure that we are invested in your success.

* Starblue Consultancy will not be liable for any fees or charges associated with the said horse and must be borne entirely by the client.





Our investment product



Club-Linked is an initiative of Starblue Consultancy created for the benefit of smaller investors and new entrants to the world of thoroughbred investing. Although thoroughbred racing has been steadily increasing in popularity in recent years it still remains largely inaccessible to new investors. Starblue Consultancy hope to change this with the launch of Club-Linked.

With Club-Linked the investments from multiple investors are brought together which results in a greater cumulative purchasing power. Furthermore, training and associated costs are also spread among investors, thus making the thoroughbred investment more affordable.

All Club- Linked investments are professionally managed by Starblue Consultancy from purchase to retirement.

**All funds are kept in our Westpac business holding bank accounts.*

**For more info about the product please visit our website
www.starblueconsultancy.com/clublinked**



Hurley


Starblue Consultancy
Thoroughbred Investment Advisors

Evaluating horses offered by syndications and horse trainers

Starblue Consultancy offers a service named **StarConsult**. If you are an outsider and wish to employ us as a freelance partner and gain from the knowledge of our Racing Consultants that's the right service to go for.

StarConsult will assist you in finding the horse that has the right attributes to become a profitable asset.

Starblue's racing consultants identify and assess available horse shares from syndications or horse trainers around the globe. This service is fundamental to every investor that aims to get a share in a racehorse, as we are not affected by a conflict of interest and therefore, we are an external source of advice.

How will we proceed:

- **Identification of shares available by leading horse trainers**
- **Identification of shares offered by syndications**
- **Analysis of pedigrees**
- **Inspection of the horses offered by the third parties**



We are constantly exposed to opportunities that can be beneficial for you as a client. Benefit from our expertise and let the win begin!

For more info contact your local Racing Consultant or email us at info@starblueconsultancy.com.



Our point of distinction

Key determinants of a successful racehorse

In the history, breeders and scientists have studied the million-dollar question. There are a lot of tests such as genetic testing, muscles biopsies and ultrasounds that have been used in the pursuit of upcoming champions. The real aptitude of a horse lies in his ability to perform under saddle. A good track rider will directly be able to point the gifted ones from the crowd. Their temperament, movement, tenacity and breathing are the mark of the elite. This is since centuries a simple but tested and tried method to acknowledge through potential candidates to find the best value for your money.

Hire a Starblue Track rider



Starblue has its own thoroughbred track riders that can assist you in riding the horse you purchased or have a share in to benefit from a different source of advice not affected by a conflict of interest. The Starblue Track Riders are selected carefully and recognised as the best in the horse racing industry. This service is available in Chantilly (FR), Melbourne (AU), Sydney (AU), Newmarket (UK) and Dubai (UAE).

A daily fixed fee per horse will provide you with a highly skilled thoroughbred track rider and a full report based on the aptitude of your horse with a maximum transparency.

*Please note that for this service to be efficient we advise you to hire a track rider for at least 2 consecutive mornings. If you are already a Starblue investor wherever are your progenies, they will be ridden frequently by the Starblue's horse riders to give you excellence in our consultancy services.

For more info about the product please visit our website

www.starblueconsultancy.com/starbluetrackrider



About us

Starblue Consultancy is a global network of industry professionals who share a deep passion for the racing industry. We realized that new owners looking to invest in racing had no reliable means to seek advice and explore their options. The only advice available to investors was through bloodstock agents, syndicators and trainers. Often, these sources could be influenced by a conflict of interest.

Therefore, we decided to create a consultancy company that could provide investors with an independent source of advice that was not influenced by vested interests. Our Racing Consultants are handpicked on the basis of their long-standing association and understanding of the racing industry, rather than their sales and marketing experience.

Our worldwide reach allows us to exploit opportunities that result from global variances between regions. The end result is a highly specialized industry expert to assist you with all investment decisions related to thoroughbred investments.

Starblue Consultancy
Universal Investment Brochure



www.starblueconsultancy.com

ABN 353 967 520 55

