



## Product Disclosure Statement (“PDS”)

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For the sale of shares in the Unnamed thoroughbred **Bay Colt, foaled 9th October 2014,**  
by **FASTNET ROCK** from **SEVRUGA**.

**Dynamic Syndications – (Dean Watt Thoroughbreds Pty Ltd t/as)**  
**Promoter and Syndicate Manager – AFSL 336808**

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**Important notice to prospective investors**

The information set out in this PDS is not and must not be regarded as advice, or a recommendation or opinion in relation to the Syndicate, or that an investment in the Syndicate is suitable. This PDS does not take into account your investment objectives, financial situation and particular needs. You should, before investing, consider the appropriateness of doing so, having regard to your own objectives, financial situation or needs.

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## PRODUCT DISCLOSURE STATEMENT

### 1. Preparation and purpose

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This Product Disclosure Statement (“PDS”) is dated **7<sup>th</sup> APRIL 2016**. This PDS has been prepared by the Promoter for the offer of Shares in the thoroughbred horse to which it relates (“the Horse”).

Name of Horse: <b>Unnamed</b>		
Colour: <b>BAY</b>	Sex: <b>Colt</b>	Year foaled: <b>2014</b>
Sire: <b>FASTNET ROCK</b>	Dam: <b>SEVRUGA</b>	

A copy of the pedigree of the Horse is included in this PDS as an attachment.

This PDS has been approved by Racing NSW (“Lead Regulator”) and a Form FS88 (PDS in-use notice) has been lodged with the Australian Securities & Investments Commission (“ASIC”). No responsibility as to the contents of this PDS is taken by the Lead Regulator, ASIC, their officers, employees or agents.

This PDS will expire 6 months from the date specified above, or such earlier date as may be determined by the Promoter (“Offer closing date”).

This PDS is available in both printed form and online in PDF format.

### 2. Jurisdiction

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The Offer constituted by this PDS is only available to persons receiving this PDS within Australia. This PDS does not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an Offer. The distribution of this PDS to jurisdictions outside Australia may be restricted and persons who come into possession of this PDS should seek advice from their professional advisers and observe any possible restrictions. A failure to comply with such restrictions may violate the applicable securities law.

### 3. Disclosure

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This PDS has been prepared by the Promoter for presentation to prospective investors in compliance with the disclosure requirements for the public offering of Shares in thoroughbred horses being syndicated for racing purposes set out in Class Order 02/139 issued by ASIC on 15<sup>th</sup> February, 2002 (“the Class Order”).

The effect of the Class Order is to relieve the Promoter from the disclosure requirements for the public offering of shares in a managed investment scheme set out in Chapter 7 (Part 7.9) of the Corporations Act (“the Act”). This investment is available to investors who are retail clients.

### 4. Cooling-off

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Applicants whose applications for Shares are accepted will have a right to “Cool-off” (thereby cancelling the purchase of the Share or Shares applied for) at any time during the “Cooling-off period”.

The Cooling-off period will commence at the end of the fifth (5<sup>th</sup>) day following the day upon which notification of acceptance of applications is forwarded to those applicants whose applications for Shares have been accepted (“the Cooling-off commencement date”) and will expire at the end of the fourteenth (14<sup>th</sup>) day thereafter (“the Cooling-off expiration date”).

An applicant who desires to Cool-off must, during the Cooling-off period, notify the Promoter in writing (by post, facsimile or email) that the applicant has elected to Cool-off, in which event the applicant will be entitled to receive a full refund of all Application Moneys paid to the Promoter.

## **5. Statement to prospective investors as to the commercial merits of the offer and recommendation regarding the seeking of advice**

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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.

Prospective investors should consider the primary benefits to be derived from acquiring a Share in the ownership of the Horse as being the acquisition of an entitlement to participate in racing the Horse and to a proportion of Prize money, if any.

The only information authorised by the Promoter to be provided to prospective investors is that contained in this PDS. No person is authorised to give any information or make any representations in connection with the Offer, other than the information and representations contained in this PDS.

Prior to entering into this investment, prospective investors should read this PDS in its entirety and are advised to consult their independent licensed investment adviser, legal, taxation and other professional consultants (including bloodstock consultants) in assessing the potential merits of the investment.

## **6. Disclaimer**

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This PDS has been prepared to the best of the knowledge of the Promoter. In preparing this PDS, the Promoter has used information and opinions sourced from third parties. Those third parties do not accept any responsibility for any investment decisions or actions of investors as a result of the information and opinions provided.

In addition, neither the Promoter, nor any other party named in this PDS, nor any officer, employee, or representative of any of them:

- (a) gives any guarantee as to the future performance of the Horse, the repayment of capital, a return on investment, or the general performance of the Syndicate; or
- (b) is liable to compensate or reimburse any investor for any liabilities, costs or expenses incurred in connection with evaluating or making an investment decision regarding the Horse and the Syndicate.

## **7. Privacy**

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We collect personal information about our investors primarily to process your application, to administer your investment and to provide you with reports.

We may also disclose your information to persons who provide services to us, or in relation to the Syndicate, or the Horse.

In addition, we may disclose your personal information:

- o if you consent to the disclosure; or
- o if we are required to do so by law, or by any Principal Racing Authority.

A copy of our Privacy Policy is available upon request.

## 8. Promoter

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The Promoter is **DYNAMIC SYNDICATIONS** (DEAN WATT THOROUGHBREDS PTY LTD T/AS) ABN 64 134 481 539 of Suite 1, 15 - 17 Forest Road, HURSTVILLE, NSW, 2220.

The Sole Director of the Promoter is **DEAN WARREN WATT**. Dean has been actively involved in the syndication and management of thoroughbred racehorses since 1984.

The Promoter is the holder of Australian Financial Services Licence – **AFSL 336808**.

## 9. Application Price

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The Promoter is offering Shares to prospective investors at the Application Price per Share of **Ten Thousand, Nine Hundred and Ninety Seven Dollars \$10,997.00**.

The Application Price must be paid to the Application Moneys Trust Account of the Promoter specified on the Share Application Form, and not to any other bank account, person or entity.

Full details of how the Application Price has been calculated, including the fees and charges that are included in it, are set out in the Share Application Price Calculation Sheet, which is included in this PDS as an attachment.

## 10. Title, issuing and allotting of the Shares

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The Promoter purchased the Horse at public auction. The details of that transaction are as follows:

Name of Auction Sales Company: <b>Inglis Australian Easter Yearling Sale</b>		
Date of Sale: <b>5-7 April, 2016</b>	Sale location: <b>Randwick - NSW</b>	Lot number: <b>69</b>
Name of Seller: <b>Amarina Farm (As Agent)</b>		Sale Price: <b>\$125,000 + GST</b>

Upon the Syndicate being fully subscribed, the Promoter will apply the Application Moneys paid by those applicants whose applications for Shares have been accepted and who have not elected to cool-off (“the Owners”) to the payment of the Sale Price and the purchase of the Share.

Upon the Promoter applying the Application Moneys, the legal and beneficial title to the Horse will pass to the Owners, in twenty (20) equal undivided Shares, free of any Encumbrance, subject to the provisions of the Owners Deed of Agreement (“the Deed”). A copy of the Deed is included in this PDS as an attachment. Any reference in this PDS to a clause is to a clause of that document.

Each Share will represent a one-twentieth (1/20<sup>th</sup>), or five per cent (5%), ownership interest in the legal and beneficial title to the Horse.

The ownership of the Horse is being syndicated by the Offeror into Twenty (20) Co-Ownership Shares.

Within seven (7) days of the payment of the Sale Price, the Promoter will:

- (a) issue Shares numbered one (1) to twenty (20) inclusive;
- (b) allot the Shares to the Owners; and
- (c) record the names of the Owners on the register of Owners.

Within forty-five (45) days of the Syndicate being fully subscribed, the Promoter will ensure that the Horse is registered with the Registrar of Racehorse s in the names of the Owners, in accordance with the provisions of clauses 2.5, 2.7 and 4.5(h).

Each Owner of a Share will be a member of the Syndicate. The term “Syndicate” is defined in the Deed [clause 1.1]:

**Syndicate** means the arrangement evidenced by this Deed pursuant to which the Owners agree to participate in the undertaking of caring for, training and racing the Horse as a whole for their mutual benefit (“the **Common Enterprise**”).

The Syndicate will operate for the period from the Commencement Date until the Termination Date (“the Term”) of the Deed.

Prospective investors should be aware that the Promoter may retain Shares in the Horse and may retain any number of Shares. If the Promoter does retain any Shares, this will be disclosed to investors.

## **11. Syndicate Manager**

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**DYNAMIC SYNDICATIONS** (DEAN WATT THOROUGHBREDS PTY LTD T/AS) ABN 64 134 481 will act as the Syndicate Manager [clause 4].

The Syndicate Manager will manage the Syndicate in accordance with the provisions of the Deed, the Rules of Racing, and any rules, regulations, or guidelines, made from time to time by the Principal Racing Authority of the state or territory in which the Horse may race.

## **12. Racing Manager**

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**DEAN WARREN WATT** will act as the Racing Manager [clause 5].

## **13. Trainer**

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**GAI WATERHOUSE**, licensed trainer, **Randwick Racecourse**, will train the Horse [clause 6.1(b)].

## **14. Veterinary Report**

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**Dr JOHN B WALKER, BVSc.**, of JOHN WALKER & ASSOCIATES, Performance Equine Veterinarians (“Dr Walker”) has provided a Veterinary Report as to the suitability of the Horse for purchase as a prospective racehorse and for insurance. Dr Walker is a veterinarian who specializes in the treatment of thoroughbred horses.

A copy of the Veterinary Report is included in this PDS as an attachment.

**Dr WALKER** has given, and have not, before the date of this PDS, withdrawn their consent to the issue of this PDS with the veterinary report being included in the form and context in which it is included.



## 15. Value

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The Promoter relies on the Sale Price paid for the Horse and disclosed in Section 10 of this PDS as being its market value.

Any prospective investor requiring an independent assessment of value of the Horse, or a Share, should consult a recognised bloodstock agent as to the value of the Horse before applying for a Share.

## 16. Insurance

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The Promoter has arranged Insurance Cover through **LOGAN LIVESTOCK INSURANCE AGENCY PTY LTD** (ABN 81 001 826 204) (“Logan Livestock”). The benefit of this insurance cover will pass to the Owners of the Shares, upon the issuing and allotting of the Shares.

A copy of the Particulars of Insurance is included in this PDS as an attachment.

Logan Livestock has consented to the issue of this PDS with the Particulars of Insurance being included in the form and context in which it appears.

Prospective investors should be aware that this insurance will expire on **31<sup>st</sup> October 2016**, from which date each Owner will be responsible for procuring one’s own insurance cover, unless otherwise agreed in writing with the Syndicate Manager [clause 14.1].

## 17. Taxation

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Prospective investors should obtain their own advice as to the treatment for taxation purposes of an investment in a Share.

## 18. Interests of the Promoter, the Syndicate Manager, the Racing Manager, their directors and experts

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- 18.1 The Promoter, the Syndicate Manager and the Racing Manager neither have, nor have had in the period of two years before the date of this PDS, any interest in relation to the Horse, or the promotion of the Syndicate, other than the interests detailed in this PDS.
- 18.2 No director or proposed director of the Promoter, the Syndicate Manager or the Racing Manager has, or has had in the period of two years before the date of this PDS, any interest in relation to the Horse, or the promotion of the Syndicate, other than emoluments he or she may be entitled to receive from the Promoter, the Syndicate Manager or the Racing Manager and which are detailed in this PDS.
- 18.3 **Dr Walker** has, nor has had in the period of two years before the date of this PDS, any interest in relation to the Horse, or the promotion of the Syndicate, except that Dr Walker will receive a fee for undertaking an examination of the Horse and providing the Veterinary Report. Dr Walker provides veterinary services to various industry participants, which may include the person from whom the Promoter has purchased the Horse.
- 18.4 Logan Livestock neither has, nor has had in the period of two years before the date of this PDS, any interest in relation to the Horse, or the promotion of the Syndicate, except that Logan Livestock will receive a premium for procuring the Insurance Cover.

- 18.5 The fee payable, or agreed to be paid, to the Promoter, for services rendered by the Promoter in relation to the promotion of the Syndicate, in the period of two years before the date of this PDS, is the fee specified in the Share Application Price Calculation Sheet.
- 18.6 There is nothing in the Owners Deed of Agreement to prevent the Promoter, the Syndicate Manager, the Racing Manager, or any entity related to any of them, or their officers or employees, from purchasing, holding, dealing in, or disposing of, a Share, provided that such person must act, in connection with any such transaction, in a fiduciary relationship of utmost good faith to the Owners.

## **19. Summary of rights and liabilities attaching to Shares and other relevant information**

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The full rights and liabilities attaching to the Shares are set out in the Deed. Prospective investors should read that document in its entirety and ensure that they fully understand all of its provisions. Some essential points are as follows:

### **(1) Ownership of Horse and beneficial interest in Syndicate Property**

The Owners:

- (a) will own the whole of the legal and beneficial title to the Horse, divided into the number of equal undivided Shares specified in Schedule 1, as tenants in common, free of any Encumbrance [save for any Security Interest granted or permitted by the provisions of the Deed] [clause 2.2(a)(i)];
- (b) will contribute the right to use their respective ownership interests in the Horse to the Syndicate to facilitate the Horse as a whole being utilised in the Common Enterprise [clause 2.2(a)(ii); and
- (c) will participate in the Common Enterprise [clause 2.2(a)(iii)].

The Syndicate Manager will hold the Syndicate Property upon trust for the Owners in the number of equal undivided Shares specified in Schedule 1, free of any Encumbrance [save for any Security Interest granted or permitted by the provisions of the Deed] [clause 2.2(b)].

### **(2) Owners entitlements to benefits**

Each Owner of a Share will be entitled to participate in the Common Enterprise and to receive distributions of Syndicate Property (including net Prize money, Owners Bonus or Incentive Scheme payments, and the value of any Trophy of significant monetary value), in the same proportion as the number of Shares held bears to the total number of Shares. Net Prize money means gross Prize money less the mandatory deductions by the Principal Racing Authority of 10% payable to the Trainer and 5% payable to the jockey. Distributions of net Prize money will be made either directly by the Principal Racing Authority, or by the Syndicate Manager [clauses 2.3, 2.4 and 3.2].

### **(3) Owners liability to contribute to expenses**

Each Owner of a Share will be liable to contribute to the expenses of the Syndicate, and the Common Enterprise, in the same proportion as the number of Shares held bears to the total number of Shares [clauses 3, 4.8 and 14].

	<b>Total annually for Syndicate</b>	<b>Total annually per Owner 20 Shares</b>	<b>Total monthly per Owner 20 Shares</b>
<b>Payable to Syndicate Manager</b>			
Management Fee		\$832.00	\$69.00
<b>Payable to Trainer and other Third Party Service Providers</b>			
Expenses including (without limitation) for agistment, pre-training and training fees, race entry fees (nomination and acceptance), transportation costs, dentistry, farriery and veterinary fees, riding fees	\$42,000.00	\$2,100.00	\$175.00*
<b>Total</b>		<b>\$2,932.00</b>	<b>\$244.00*</b>

\*This amount will vary significantly from month to month, depending upon whether the Horse is in training, or out of training on agistment.

The Promoter estimates that the total annual cost of operating the Syndicate, and the Common Enterprise, will be as set out in the above table. This estimate of expenses does not include any allowance for extraordinary veterinary expenses, major race entry and acceptance fees, or amounts that the Owners may be required to pay to the Trainer or the jockey under clause 3.2.

(4) **Remuneration of Syndicate Manager**

<b>Compulsory Notice – required by Lead Regulator Information for prospective owners Promoters may include management fees in the Product Disclosure Statement</b>
<p>Management of a horse by a promoter may be considered important to some investors as certain Promoters may have extensive experience in the industry.</p> <p>Investors should consider the monthly management service and fee as detailed in the Product Disclosure Statement (or other contract or agreement) for the services provided and ask any questions of the promoter before deciding whether to proceed.</p> <p>Investors should note that under usual circumstances the agreements reached to provide a management service is only for the racing career of the horse and does not extend beyond this e.g. breeding career except by separate arrangement.</p>

The Syndicate Manager will be entitled to charge a fee for providing the services of Syndicate Manager, and will also be entitled to receive or have bestowed additional remuneration or other entitlements (subject to the proper performance of the Syndicate Manager’s obligations), as follows:

<p><b>Management Fee</b> [clause 4.8(1)] – per Share unless otherwise specified:</p> <p>(a) <u>Fee payable by each Owner directly to the Syndicate Manager</u>: \$832.00 (plus GST) per annum, via monthly instalments in advance of \$69.00 (plus GST). If an Owner holds 4 or more Shares, this fee will be capped at a multiple of 2 [\$138.00 plus GST per month]. If a Share is held by 2 or more distinct joint holders as tenants-in-common, each joint holder must pay this fee.</p> <p>(b) <u>Fee payable by the Trainer directly to the Syndicate Manager – for services provided to the Trainer by the Syndicate Manager in relation to the Horse</u>: 7.5% of the base advertised daily training fee charged by the Trainer to each Owner proportionately for training the Horse. This fee is currently estimated at approximately \$10.12 (plus GST) per day, based on a daily training rate \$135.00.</p>
<p><b>Additional remuneration</b></p> <p><b>Percentage of Prize money and bonuses</b> [clause 4.8(2)(a)]: Two per cent (2%) of all Prize money and bonuses, increasing to Five per cent (5%) when the total value of gross Prize money and bonuses won by the Horse exceeds the total value of the Shares in the Horse under this initial PDS</p>
<p><b>Percentage of Sale Price</b> [clause 4.8(2)(b)]: Five per cent (5%) of the gross Sale Price (excluding GST), at the Syndicate Manager’s discretion</p>
<p><b>Lifetime Service Right(s)</b> [clause 4.8(2)(c)]: 2 Lifetime Service Rights [only if Horse is an entire (male horse that has not been gelded)]</p>

**(5) Remuneration of Racing Manager**

The Syndicate Manager will be solely responsible for any remuneration payable to the Racing Manager. The Racing Manager will not charge the Owners directly any fee for providing the services of Racing Manager [clause 5.3].

**(6) Trainer’s responsibilities**

By the provisions of clause 6.2, the Owners acknowledge:

- (a) that it will be necessary for the Syndicate Manager, and the Racing Manager, from time-to-time in the normal course, to place the Horse in the care of the Trainer and other Third Party Service Providers to facilitate the Horse being properly cared for whilst on agistment, in pre-training, training and racing, including transportation, and that it will also be necessary for those Third Party Service Providers to prescribe and administer various treatments, including (without limitation) chiropractic, dentistry, farriery and veterinary;
- (b) that when the Horse is in the care of the Trainer, the Trainer will have day-to-day responsibility for the proper care of the Horse on behalf of the Syndicate Manager; and
- (c) that it will be the responsibility of the Trainer, as the agent of the Syndicate Manager, to nominate and accept the Horse for races and neither the Syndicate Manager, nor the Racing Manager, will be liable to the Owners for any act or omission on the part of the Trainer resulting in the Horse not being nominated, entered, or accepted, for any specific race, or series of races, that may be preferred by the Owners.

**(7) Racing Colours**

The Horse will race in the Racing Colours specified in Schedule 1 [clause 2.6].

(8) **Insurance**

Each Owner will be responsible for arranging one's own insurance cover. If the Syndicate Manager does procure insurance for any of the Owners, it will be as their representative (duly authorised in writing [clause 14.1(a)]).

(9) **Complaints handling**

A procedure for handling internal complaints is set out in clause 18, including the entitlement of an Owner in particular circumstances to have one's complaint referred to an External Dispute Body of which the Syndicate Manager is a member.

The Syndicate Manager is a member of the FINANCIAL OMBUDSMAN SERVICE LIMITED ABN 67 131 124 448 ("FOS") - Membership number 11316.

(10) **Default**

The entitlements of the Owners are subject to the default provisions under Clause 18, which afford the Syndicate Manager the right to both suspend a Defaulting Party's entitlements whilst in default, and a power of sale in the event that the default is not remedied within a specified period.

(11) **Restrictions on the sale or transfer of Shares**

If an Owner wishes to sell, transfer, or otherwise dispose of a Share at any time during the Term, such Owner must comply with the procedure set out in clause 12.

(12) **Termination Date**

The Termination Date of the Syndicate will be determined pursuant to clause 20.

(13) **Owners limited right of indemnity**

The Owners rights of indemnity are limited by the provisions of clauses 21 and 22.

(14) **No representation or warranty**

By the provisions of clause 27, the Owners acknowledge that, save for the statements and certificates set out in this PDS, no representation is made or warranty given by the Syndicate Manager in respect of:

- (i) the physical soundness or suitability of the Horse for racing or any other purpose;
- (ii) the adequacy or reliability of any insurance cover that may be procured by the Syndicate Manager on their behalf; or
- (iii) the future value or saleability of the Shares, or the Horse, either at any time during the Term or upon termination of the Syndicate.

(15) **PPSA**

By the provisions of clause 25, each Owner grants the Security Interest to the other Owners and the Syndicate Manager, and consents to the registration of the Security Interest on the PPSR.

## 20. Risk

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Prospective investors should be aware that there are inherent risks associated with the ownership and racing of thoroughbred horses, including (without limitation):

- (a) the speculative nature of the investment, which will require the Owners to incur obligations, liabilities and expense without the assurance of any financial return:
  - (i) not all horses offered for syndication progress to competing in races;
  - (ii) not all horses that do race, win or are placed, or are assured of winning any Prize money;
  - (iii) the rate at which young horses mature varies markedly, and it is not possible to predict with any degree of certainty at what age a horse will be mature enough to race;
  - (iv) injuries can be sustained which may delay or inhibit a horse's ability to race, or even prevent a horse from having a racing career at all; and
  - (v) a horse may die or its value be diminished as a consequence of accident, illness, infertility, injury, or natural cause;
- (b) if the Horse is an Entire:
  - (i) it may require gelding (the majority of colts are gelded) as a consequence of physical or behavioural considerations in an effort to enhance racing performance; or
  - (ii) if the Horse is permitted to remain an Entire, any residual value as a stallion is not assured;
- (c) the value of the Horse and the Shares will fluctuate during the Term; and
- (d) there may be no ready market for the Shares, or the Horse, either at any time during the Term or upon termination of the Syndicate.

Insurance Cover is available for some, but not all risks associated with the ownership of thoroughbred horses [Clause 14.1 of the Deed].

## 21. Glossary of Terms

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Terms in this PDS will have the same meaning as in Clause 1.1 of the Deed.

## 22. How to invest

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All applications for Shares must be made on the applicable Share Application Form, a copy of which is included in this PDS as an attachment. Shares will not be issued on the basis of this application after the Offer closing date. The Share Application Form includes details of how to invest.

Application Moneys must be paid to the Promoter when returning the completed and signed Share Application Form, either by cheque, or by EFT subject to prior arrangement with the Promoter.

The Promoter reserves the right to close the Offer or extend the Offer closing date at any time after the Offer opening date without notice.

The Promoter will hold all Application Moneys in a designated trust bank account until the Offer closing date. If less than the required number of Shares is taken up by applicants by the Offer closing date, the Syndicate will not proceed and all Application Moneys received will be returned to those applicants within 10 business days of the closing date. Any interest earned will be paid on the refunds.

### **23. Declaration**

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I DEAN WARREN WATT, sole director of promoter DYNAMIC SYNDICATIONS (DEAN WATT THOROUGHBREDS PTY LTD T/AS) ABN 64 134 481 539, declare:

- (a) that the statements contained in this PDS are true and correct, and not misleading in their form and content; and
- (b) that this PDS contains all key information about the product which prospective investors and their advisers should require and reasonably expect to receive for the purpose of making an informed decision whether or not to invest in the product.



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**DEAN WARREN WATT**

**7 APRIL 2016**



7 April 2016

Mr Dean Watt  
Dynamic Syndications  
PO Box 2324  
**TAREN POINT NSW 2229**

Dear Mr Watt,

**RE: Product Disclosure Statement for 2014 Bay Colt by FASTNET ROCK  
from SEVRUGA**

The disclosure material lodged in respect of the above racehorse has been examined and appears to comply with the provisions required by the Australian Securities & Investments Commission.

Approval is hereby granted for the promotion to proceed.

This approval is conditional on the following:

- that all advertisements in respect of the scheme are submitted to Racing NSW for approval;
- that advertisements are NOT published until Racing NSW approval has been granted;

**Notes:**

- **the PDS is valid for 6 months from the date of this correspondence;**
- **all persons who make an enquiry to purchase a share are to be issued with the Approved PDS;**
- advertisements include Print Media, SKY Channel/TVN, radio, website and all other advertisements.

Yours faithfully

**Kristy Livingstone  
For Racing NSW**





Lot 69

**BAY COLT**(Branded C nr sh. <sup>152</sup>/<sub>4</sub> off sh. Foaled 9th October 2014)

SIRE	Danehill (USA) .....	Danzig .....	by <b>Northern Dancer</b> ...
<b>FASTNET ROCK</b> .....	Piccadilly Circus .....	Razyana .....	by His Majesty .....
		Royal Academy (USA) .....	by Nijinsky .....
		Gatana .....	by Marauding (NZ) .....
DAM	Encosta de Lago .....	Fairy King (USA) .....	by <b>Northern Dancer</b> ...
<b>SEVRUGA</b> .....		Shoal Creek .....	by Star Way (GB) .....
2007	Prawn Cocktail (USA) .....	Artichoke .....	by Jacinto .....
		Crimson Saint .....	by Crimson Satan .....

**FASTNET ROCK (AUS) (Bay 2001-Stud 2005). 6 wins to 1200m, VRC Lightning S., Gr.1. Champion Aust. Sire twice. Sire of 1047 rnrs, 693 wnrs, 89 SW, inc. Super Cool (VRC Australian Cup, Gr.1), Atlantic Jewel, Sea Siren, Planet Rock, Mosheen, Fascinating Rock, Driefontein, Amicus, First Seal, Atlante, Foxwedge, Lone Rock, Diamondsandrubies, Qualify, Magicool, Nechita, Rock 'n' Pop, Irish Lights, Wanted, Albany Reunion, Your Song, Rock Classic, etc.**

**1st Dam**

**SEVRUGA**, by *Encosta de Lago*. **Winner** at 1100m, 3d Seymour RC Chatswood Vase Inglis Bonus Series 3YO H. Three-quarter-sister to **ONE LAST DANCE**, **Marigot Bay**, half-sister to **LANGOUSTINE**, **ONE WORLD**, **Achill Island - Sleep Well** (H.K.). This is her third foal. Dam of 2 foals to race, **1 winner**-*Khalama* (f by *Starspangledbanner*). **Winner** at 1000m in 2015-16 in NZ. *Pittsburgh* (c by *Fastnet Rock*). Placed at 2 in 2015-16, 2d ATC Cellarbrations Penrith 2YO P.

**2nd Dam**

**PRAWN COCKTAIL (USA)**, by *Artichoke*. Unraced. Half-sister to **ROYAL ACADEMY**, **PANCHO VILLA**, **TERLINGUA** (dam of **STORM CAT**, **CHAPEL OF DREAMS**), **ALYDARIEL** (dam of **JEUNE HOMME**), **Border Run**, **Encino**. Dam of 11 foals, 10 to race, **all winners**, inc:-  
**LANGOUSTINE** (f *Danehill (USA)*). **2 wins** at 2 at 1000, 1050m, VRC Maribyrnong P., **Gr 2**, 3d VRC Red Roses S., **L**. Producer.  
**ONE WORLD** (f *Danehill (USA)*). **2 wins** at 2 at 900, 1200m, \$145,450, VRC Thoroughbred Breeders S., **Gr 3**, SAJC Fulham Park P., **L**, 3d MRC Blue Diamond Preview (f), **Gr 3**. Dam of 5 winners-  
**ONE LAST DANCE** (f *Encosta de Lago*). **3 wins** at 2 955 to 1100m, \$177,223, MRC Blue Diamond Prelude (f), **Gr 3**, Blue Diamond Preview (f), **L**, MVRC Essendon Mazda 55 Second Challenge 2YO H. Gunawati. **Winner** at 1200m, MVRC Slater & Gordon Lawyers H.  
**Achill Island - Sleep Well** (H.K.) (g *Sadler's Wells*). **5 wins**-1 at 2-at 1500, 1650m, £355,147, 2d Ascot Royal Lodge S., **Gr 2**, Breeders' Cup Juvenile Turf S., **L**, Tipperary Ad Valorem S., **L**, 3d Chester Dee S., **Gr 3**.  
**Marigot Bay** (f *Fairy King (USA)*). **2 wins** at 2 at 5f, Leopardstown Burlington Air Express Nursery H., 3d Curragh Round Tower S., **L**. Dam of 2 winners-  
**Assafa** (c *Danehill (USA)*). **2 wins** at 1000, 1200m, MRC Broadbridge H., Waikato RC Espresso Infusion H., 3d VRC Rory's Jester P., **Gr 3**. Sire. Up the Hill. Unraced. Dam of 3 winners-  
**OLDER THAN TIME** (f *Don Eduardo (NZ)*). **5 wins** 1200 to 1900m, \$316,405, ATC Sky High S., **L**, 2d ATC Sydney Cup, **Gr 1**, Chairman's H., **Gr 2**, 3d ATC Millie Fox S., **Gr 3**, Aspiration H., **L**, NE Manion Cup, **L**, City Tattersall's Club Cup, **L**, 4th ATC Chairman's H., **Gr 2**.

**3rd Dam**

**CRIMSON SAINT**, by *Crimson Satan*. **7 wins**, Hollywood Express H., **Gr 3**, Hollywood Meteor H.-twice. Dam of 11 foals, 8 to race, **7 winners**, inc:-  
**ROYAL ACADEMY** (c *Nijinsky*). **4 wins**-1 at 2-6f to 1m, £472,633, Breeders' Cup Mile S., **Gr 1**, Newmarket July Cup, **Gr 1**. Champion sire.  
**PANCHO VILLA** (c *Secretariat*). **7 wins**, Hollywood Silver Screen H., **Gr 2**. Sire.  
**TERLINGUA** (f *Secretariat*). **7 wins**-4 at 2, Hollywood Lassie S., **Gr 2**. Dam of-  
**STORM CAT** (c *Storm Bird*). **4 wins**-3 at 2-at 6f, 8½f, Meadowlands Young America S., **Gr 1**, 2d Breeders' Cup Juvenile S., **Gr 1**. Champion sire.

## SHARE PRICE CALCULATION SHEET

PDS for the sale of Shares in the unnamed thoroughbred **Bay Colt, foaled 2014**,  
by **FASTNET ROCK** from **SEVRUGA** inclusive to **31 AUGUST 2016**

The costs of establishing the Syndicate are set out in the following table (these costs are one-off costs):

	Total for Syndicate	Per Share (20)
A. Initial Cost Price of Horse paid by Promoter – fall of the hammer	\$125,000	\$6,250
B. Promoter's profit margin on this promotion	\$15,625	\$781
C. Other acquisition costs	\$29,497	\$1,475
D. Syndicate establishment costs	\$18,565	\$928
E. Actual and budgeted Horse husbandry costs to <b>31 AUGUST 2016</b>	\$10,750	\$538
<b>Sub-total</b>	<b>\$199,437</b>	<b>\$9,972</b>
F. GST	\$19,943	\$997
G. Racing NSW Registration Fees (GST exempt)	\$560	\$28
<b>Total</b>	<b>\$219,940</b>	<b>\$10,997</b>
<b>Share Application Price – 1/20<sup>th</sup> [or 5%] Share</b>		<b>\$10,997</b>

Further breakdown of Items A, B, C and D:

		Total for Syndicate	Per Share (20)
<b>A. Initial Cost Price of Horse paid by Promoter</b>		<b>\$125,000</b>	<b>\$6,250</b>
<b>B. Promoter's margin</b>		<b>\$15,625</b>	<b>\$781</b>
<b>C. Other acquisition costs</b>			
o <b>Race series eligibility payments (9)</b>			
▪ Entry to \$5m Inglis Race series (one-off)	\$2,000		
▪ <b>BOBS</b> 2-3yo Series (one-off)	\$900		
▪ <b>BOBS Extra</b> 4yo + Series (one-off)	\$764		
▪ Blue Diamond & Blue Sapphire 1 <sup>st</sup> nom (i.e. for both races)	\$300		
▪ Golden Slipper & Golden Rose 1 <sup>st</sup> nom (i.e. for both races)	\$341	<b>\$4,305</b>	<b>\$215</b>
o <b>Insurance Premiums (4 Policies)</b>			
▪ Mortality from fall of hammer to <b>5th April 2016 to 31<sup>st</sup> October 2016</b> for total syndication value			
▪ Colic / Emergency surgery			
▪ Disability impairment guarantee to date of issuing and allotment of Shares			
▪ Professional Indemnity cover		<b>\$19,762</b>	<b>\$988</b>
o <b>Acquisition costs</b>			
▪ Veterinary work at sale complex by Dr. John Walker, including <b>27</b> physical inspections and <b>23</b> X-ray's apportioned across yearlings purchased at sale for syndication	\$2,475		
▪ Endoscopic evaluation post sale payable to William Inglis	\$165		
▪ Blood testing post sale for Anabolic Androgenic Steroids	\$500		

<ul style="list-style-type: none"> <li>▪ Sales expenses incurred in attending sale apportioned across all yearlings purchased for syndication</li> </ul>	\$862		
<ul style="list-style-type: none"> <li>▪ Consultancy Fee to Independent Bloodstock Agent Gary Mudgway for assistance with individual inspections of <b>72</b> yearlings to determine final <b>27</b> lots to submit for veterinary inspection pro-rata across number of yearlings purchased for syndication</li> </ul>	\$445		
<ul style="list-style-type: none"> <li>▪ Miscellaneous costs, including professional photographers, pedigree ratings software fee, apportioned across all yearlings purchased for syndication</li> </ul>	\$983	<b>\$5,430</b>	<b>\$272</b>
<b>D. Syndicate establishment costs</b>			
○ <b>Establishment and promotion</b>			
<ul style="list-style-type: none"> <li>▪ Proportion of postage, printing, handling &amp; stationary \$128, communications by telephone, facsimile, email, SMS \$325, marketing &amp; promotion, banking, merchant service/eftpos fees, \$825, IT service provider \$857, advertising across TV, radio &amp; websites, including, Sky Sports Radio, Bloodstock.com, Racenet etc. \$9,500, Veterinary report for PDS, \$195, ASIC Form 88 PDS in-use notice \$35</li> </ul>	\$11,865	<b>\$11,865</b>	<b>\$593</b>
○ <b>Accounting and legal</b>			
<ul style="list-style-type: none"> <li>▪ Proportion of auditors fee (\$3,500), chartered accountants fee (\$1,200), legal fees (\$2,000)</li> </ul>	\$6,700	<b>\$6,700</b>	<b>\$335</b>
<b>E. Actual and budgeted Horse husbandry costs to: 31 AUGUST 2016</b>			
○ <b>From 5<sup>th</sup> February to 31 August 2016</b>			
<ul style="list-style-type: none"> <li>▪ Transport <b>6/4/16</b> from Inglis Randwick sale complex to Oakridge Spelling Farm</li> </ul>	\$250		
<ul style="list-style-type: none"> <li>▪ Agistment from date of arrival at Oakridge to 30 April (24 days)</li> </ul>	\$912		
<ul style="list-style-type: none"> <li>▪ Transport from Oakridge to educators to commence breaking-in process</li> </ul>	\$180		
<ul style="list-style-type: none"> <li>▪ Education process at educators stables over 5 weeks (35 days)</li> </ul>	\$3,575		
<ul style="list-style-type: none"> <li>▪ Transport to our contracted Pre-Trainer to finish education in a stables complex on 3 June</li> </ul>	\$210		
<ul style="list-style-type: none"> <li>▪ 15 days orientation at Pre-Trainers Stables to 17 June</li> </ul>	\$1,155		
<ul style="list-style-type: none"> <li>▪ Miscellaneous additional costs at Pre-Trainers including Track fees, farrier feet trim, dentist, parasite drench</li> </ul>	\$515		

▪ Transport 17 June from Pre-Trainers back to Oakridge Spelling Farm	\$210		
▪ Agistment at Oakridge Spelling Farm to 30 June (13 days)	\$494		
▪ Agistment from 1 July to 31 July (31 Days)	\$1,178		
▪ Agistment from 1 August to 31 August (31 Days)	\$1,178		
▪ Miscellaneous additional costs at Oakridge incurred between <b>6 April to 31 August</b> including, farrier foot trims, shoes, dentist, parasite drenches, etc.	\$893	<b>\$10,750</b>	<b>\$538</b>
<b>Total</b>		<b>\$199,440</b>	<b>\$9,972</b>

6 April, 2016

Racing NSW  
Level 7  
51 Druitt St  
SYDNEY NSW 2000

Dear Sir,

Re: Commitment to Train for DYNAMIC SYNDICATIONS

I wish to confirm that Dean Watt, on behalf of his company Dynamic Syndications, inquired if I was interested in training the following horse on their behalf:

2014 Bay Colt – FASTNET ROCK / SEVRUGA  
Lot 69 Inglis Easter Yearling Sale

I have agreed to train the abovementioned horse in accordance with my standard terms of trade. These terms are available from my office upon request. My main stable is based at RANDWICK and I also have stables at FLEMINGTON. This horse during its racing career may transfer between stables should racing opportunities present themselves. Further, my business practice is in accordance with the Product Disclosure Statement supplied with this horse.

I acknowledge that Dynamic Syndications employ Dr John Waler as their contracted veterinarian. I am aware Dr Walker has seen this horse at the sales prior to purchase where it passed a physical examination and its x-ray inspection did not reveal any areas of concern. I am aware the horse passed an endoscopic evaluation. I am aware this horse was passed as suitable for syndication for racing purposes.

I offer this letter for inclusion with Dynamic Syndications Product Disclosure Statement for the above described horse. I advise that I have had no previous association or any financial interest with this horse prior to being asked to train it for Dynamic Syndications.

Yours faithfully,

A handwritten signature in cursive script that reads 'Gai Waterhouse'.

## Terms & Conditions of Training

All training conducted by Gai Waterhouse (the Trainer) shall be subject to the following terms and conditions and each and every owner, lessee, syndicate, manager or other person passing to this trainer a horse to train shall be deemed to have done so subject to these terms and conditions. Part owner, lessee, syndicate, corporation or any manager of any of them and where there is more than one person who would by the definition herein contained be an "owner" then, to the extent to which the same is not prohibited by the rules of racing of the principle club in the State in which the Trainer operates or by law, these terms and conditions shall bind all such owners jointly and each of them severally.

1. The Trainer shall train, stable, feed, exercise and prescribe treatment for the horse in such manner as she, in her absolute discretion, deems proper or appropriate.
  2. The Trainer shall have the right to nominate, enter, accept or withdraw the horse for any race or trial she thinks fit unless she has received written instructions from the owner to the contrary and in the case of more than one owner such written instructions must come from the Manager as recognised by the Rules of Racing.
  3. The Trainer shall not be liable to the owner (in the case of more than one to any of them) for any loss, damage, cost or expense incurred and arising out of any injury, damage or death which may arise or be caused and notwithstanding the same is attributable to or is in part attributable to recklessness, negligence, forbearance or neglect by the Trainer, any servant or agent of the Trainer or any other person in whose care or control the Trainer may place the horse.
  4. The training fee for the purposes of these terms and conditions shall include (but shall not be limited to) any and all costs, expenses or charges levied by the Trainer in connection with the training, maintenance, exercising, feeding, stabling, running, freighting or agisting of the said horse and shall also include those costs and fees detailed in Clauses 5 through 7 hereunder.
  5. In addition to the training fee as referred to in the preceding clause the owner shall be liable for all fees and costs incurred by the Trainer including the cost of staff gear and additives.
  6. The owner shall be liable for all additional costs occasioned by the horse being trained or transported away from the Trainer's address of her licence to train. This includes transporting the horse interstate and costs associated with the Trainer and staff travelling interstate (including accommodation) when the horse races interstate.
  7. The Trainer shall have the right at times to engage a Veterinarian, Blacksmith, Horse Dentist, Physiotherapist or other person thought by the Trainer to be necessary or advisable to attend the horse and the full cost thereof shall be borne by the owner.
  8. In addition to the training fee and any other monies payable to the Trainer pursuant to any of the preceding clauses the Trainer shall be entitled to receive:
    - a) 10 per centum of the advertised stakes earned by the horse or 10 per centum of the actual stakes earned whichever shall be the greater which percentage of the stakes may be paid direct to the Trainer by the Club holding the race meeting.
- AND
- b)
    - i) 5% of any prize money earned by the horse for a win in a race.
    - ii) 5% of prize money \$50, 000 and over earned by the horse for a place in a race.
    - iii) 15 per centum of any "starters rebate" or similar in excess of \$10, 000 earned by a horse starting in a race.
  - c) If claimed by the Trainer in her discretion, 10 per centum of the net proceeds of the sale of the horse if it is sold whilst it is trained by the Trainer or within three months of being trained by the Trainer.
9. The owner shall be liable for all race day fees including the additional allowances as set out in any industrial Agreement or Award relating to attendants or strappers.
  10. The Trainer shall engage or employ and instruct the Race Jockey unless prior arrangements have been made by the owner with full knowledge of the Trainer not less than 48 hours before the race or 24 hours before the time to declare the rider for the horse in a race as required by the relevant Rules of Racing whichever shall be the earlier.
  11. The training fee may be varied from time to time, as may be advised by the Trainer in writing to the owner, whether it be by submission of an account or otherwise. "Training fee" is the amount calculated and payable on a daily basis or any part of a day.
  12.
    - a) Without limiting the rights of the Trainer pursuant to Clause 12 b) hereof the Trainer, or her agent duly authorised in writing, shall have the absolute right to retain possession of any horse and/or its registration papers until all training fees relevant thereto have been paid.
    - b) Notwithstanding anything elsewhere herein contained and without prejudice to any other right the Trainer may have pursuant to these terms and conditions or at law, in the event that the training fee remains outstanding for a period of 30 days after the same was due for payment as herein provided then the Trainer shall have the right to offer for sale the horse to which such fees relate by public auction and to apply the proceeds of sale thereof (after deduction of commission etc. directly associated therewith) firstly against all training fees outstanding in relation to the relevant horse at the date of sale together with interest thereon and any costs of the Trainer associated with the sale, secondly against any other training fees outstanding from the owner in relation to any other horse with the Trainer with the balance, if any, to be paid by the Trainer to the owner or as the owner may direct.
    - c) Without limiting any other rights the Trainer may have whilst any training fees remain outstanding she shall have the right to retain possession of all papers and documents including registration papers of the horse or pertaining to the horse notwithstanding that such retention shall have the effect of preventing the horse from racing and the Trainer further may retain any gear, trophies and other items the property of the owner but in the Trainer's possession.
  13. Notwithstanding anything else herein contained and without prejudice to any other right the Trainer may have under these terms and conditions or at law the trainer shall have the right to direct any race club to pay any prize money won by the horse to her and (whether or not such direction is in all the circumstances necessary) shall have the right to apply any prize money coming into her possession which was won by the horse in the manner more particularly detailed in Clause 12 hereof as if such prize money was proceeds of sale of a horse as therein contemplated.
  14. For the purposes of Clauses 12 and 13 of these Terms and Conditions the owner absolutely appoints the Trainer as her attorney with full power to deal with any horse or any monies as the case may be and without limiting the generality of the foregoing the owner absolutely appoints the Trainer his attorney to enter any horse for sale at public auction, to instruct the auctioneers in relation thereto and to apply the proceeds of sale therefrom in accordance with the terms of Clause 12 hereof.
  15. All monies payable to the Trainer shall be paid within seven (7) days of the trainer submitting to the owner an account for the same.
  16. Interest of 2% per month is payable on all accounts exceeding thirty (30) days.
  17. If the horse is transferred from the Trainer to another trainer the Trainer shall be entitled to be paid in addition to any amounts payable otherwise pursuant to the terms of this agreement (a) 10 percent of the advertised stakes earned by the horse within 14 days of such transfer or 10 percent of the actual stakes earned within such period whichever shall be the greater.
  18. If a horse is retired to stand as a stallion at stud then the owner grants the Trainer either a 1/40<sup>th</sup> share of the horse or 2.5% of the value of the horse as agreed or failing agreement, as valued by a recognised equine valuer appointed by the Trainer.
  19. By a payment of accounts sent to the owner by the Trainer the owner acknowledges and accepts these terms and conditions apply to any training and further training for the horse.

## GAI WATERHOUSE RACING

### Estimate of training fees - for a period of 12 months

All Amounts are inclusive of GST

Estimate costs below represent 100% of the horse.

#### **TWO YEAR OLDS (100%)**

In work for 6 months, spelling and pre-training for 6 months

Gai Waterhouse Racing training fees	22,584.00
Breaking-in fees	3,575.00
Treatments - chiro, dentistry, spa, beach, farrier, lamps, ice boots	6,000.00
Track Fees	1,027.00
Spelling	8,000.00
Veterinary Fees	2,000.00
Transport	2,500.00
Nominations, Acceptances, race fees	3,000.00
<b>Total</b>	<b>48,686.00</b>

#### **THREE YEAR OLDS & OVER (100%)**

In work for 8 months, spelling and pre-training for 4 months

Gai Waterhouse Racing training fees	36,135.00
Treatments - chiro, dentistry, spa, beach, farrier, lamps, ice boots	8,000.00
Track Fees	1,370.00
Spelling	5,500.00
Veterinary Fees	3,000.00
Transport	3,500.00
Nominations, Acceptances, Race Attendance Fees	4,000.00
<b>Total</b>	<b>61,505.00</b>

NB:

Consideration should be made in regards to the following:

- If a horse is in work for a longer period of time
- Any major surgery required
- Nominations and acceptances in Group or Listed Races

Daily training rate is \$135 + GST (\$148.50 inc. of GST)

# FIT FOR SYNDICATION

HORSE: UNNAMED

SIRE: FASTNET ROCK

DAM: SEVRUGA

DESCRIPTION: BAY COLT

BRANDS: NSS: C  
OSS: 152 OVER 4

MICROCHIP NUMBER: 985100012044425

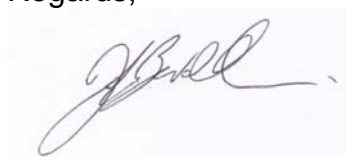
DATE: 6<sup>TH</sup> / 4 / 2016

On 6<sup>TH</sup> April, 2016, the above-described horse was examined for the purposes of a PDS for syndication for Dynamic Syndications.

Based on the examination, which involved a clinical examination, endoscopic examination of the upper respiratory tract, and full series of radiographs, this horse is considered fit for syndication for racing purposes and mortality insurance.

Should you require further information regarding this horse, I can be contacted on 0412 501 999.

Regards,



Dr John B. Walker BVSc

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 the Veterinary opinion of suitability for racing. Furthermore, I am aware that this report is provided to Dynamic Syndications for use by them in promoting the sale of the above-described colt.

Enquiries  
Email: johnnie@horsevet.com.au  
Snail Mail: P.O. Box 372, Mt Martha VIC 3934  
Mobile: 0412 501 999 Fax: 03 5973 6722  
Web: www.horsevet.com.au



*John & Walker*  
A S S O C I A T E S

Accounts  
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Phone: 03 5973 6095 03 5973 6022  
Fax: 03 5973 6722 ABN 87 107 988 616



INGEAS16

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<b>Hip 69</b> Colt		3	<b>NORTHERN DANCER (B/C)</b>	NEARCTIC
			DANZIG (I/C)	<b>NATALMA</b>
			PAS DE NOM	ADMIRAL'S VOYAGE
	DANEHILL (Q)			PETITIONER
			HIS MAJESTY (C)	RIBOT
			RAZYANA	FLOWER BOWL
		3	SPRING ADIEU	BUCKPASSER
	FASTNET ROCK (2001)			<b>NATALMA</b>
			NIJINSKY II (C/S)	3 <b>NORTHERN DANCER</b>
	1	ROYAL ACADEMY (B/I)		FLAMING PAGE
		<b>CRIMSON SAINT</b>	CRIMSON SATAN	
PICCADILLY CIRCUS			BOLERO ROSE	
		MARAUDING	SIR TRISTRAM	
GATANA			BISCALOWE	
		TWIGALAE	TWIG MOSS	
			HONDALAE	

		3	<b>NORTHERN DANCER (B/C)</b>	NEARCTIC
			FAIRY KING (Q)	<b>NATALMA</b>
			FAIRY BRIDGE	BOLD REASON
ENCOSTA DE LAGO				SPECIAL
			STAR WAY (Q)	STAR APPEAL
			SHOAL CREEK	NEW WAY
			ROLLS	MR. PROSPECTOR
SEVRUGA (2007)			JACINTO	GRAND LUXE
			ARTICHOKE	BOLD RULER
			IVORY TOWER	CASCADE II
1	PRAWN COCKTAIL			HILL PRINCE
			CRIMSON SATAN (Q)	ROSY PROSPECT
			<b>CRIMSON SAINT</b>	SPY SONG
			BOLERO ROSE	PAPILA
				BOLERO
				FIRST ROSE

Sibling Identifier: odd numbers = same dam only; even numbers = same sire and dam

Roman Dosage Profile: (4-4-7-1-0)

D.I.: 2.56 C.D.: 0.69

Werk Quality Rating: Q 7

Dosage Points: 16 + Quality Points: 16 = Total Points: 32

**Best of Sale:**



**5-Generation Inbreeding:**

**CRIMSON SAINT - 4m x 3f**  
**NORTHERN DANCER - 4m, 5m x 4m**  
**NATALMA - 5m, 5f x 5m**

**FASTNET ROCK**

Stands at COOLMORE STUD, IRE for a fee of Pvt

**Stakes Winners from the DANEHILL--ENCOSTA DE LAGO cross**

Stakes Winner	Yob	Sex	Best	Dirt	AWS	Turf	Pedigree
DEFCON	2013	C	G3			Y	CHOISIR--NUCLEAR FORCE (ENCOSTA DE LAGO)
JAPONISME	2012	C	G1			Y	CHOISIR--HAIKU (ENCOSTA DE LAGO)
BURNSTONE	2012	C				Y	REDOUTE'S CHOICE--MERLENE DE LAGO (ENCOSTA DE
PEEPING	2011	F	G1			Y	REDOUTE'S CHOICE--MISS MARIELLE (ENCOSTA DE
ANOTHER COUP	2011	F				Y	DARCI BRAHMA--GINGER BUT COUP (ENCOSTA DE
PEGGY JEAN	2011	F	G1			Y	MYBOYCHARLIE--LADY OF LOVE (LAGO DELIGHT)
MOHAVE	2011	C				Y	EXCEED AND EXCEL--MARGHAM (ENCOSTA DE LAGO)
FRESPANOL	2010	C				Y	CHOISIR--BESAME MUCHO (ENCOSTA DE LAGO)
PHEIDON	2010	G	G2			Y	AL MAHER--ENCOSTA QUIDD (ENCOSTA DE LAGO)
NOT LISTENIN'TOME	2010	G	G3			Y	DYLAN THOMAS--FLAME OF SYDNEY (ENCOSTA DE
INNER WARRIOR	2010	G				Y	GOD'S OWN--EL MILAGRO (ENCOSTA DE LAGO)
FORGET	2009	C	G3			Y	EXCEED AND EXCEL--MNEMOSYNE (ENCOSTA DE
KILLUA CASTLE	2009	G	G3			Y	CHURCHILL DOWNS--PRAYERS'N'PROMISES (ENCOSTA
SOOKIE	2009	F	G3			Y	CASINO PRINCE (AUS)--PURPLE BLOOD (ENCOSTA DE
PROISIR	2009	C	G3			Y	CHOISIR--PROPHET JEWEL (ENCOSTA DE LAGO)
DIDNTCOSTALOT	2008	C	G3			Y	DANERICH--COSTI (ENCOSTA DE LAGO)
EMPRESS ROCK	2008	F	G2			Y	FASTNET ROCK--EMPRESS JADE (ENCOSTA DE LAGO)
INSTINCTION	2008	C				Y	EXCEED AND EXCEL--DE LAGO MIST (ENCOSTA DE
REBEL CALL	2008	C				Y	EXCEED AND EXCEL--TERRENORA (ENCOSTA DE LAGO)
BENETEAU	2007	C	G3			Y	REDOUTE'S CHOICE--SLICE OF PARADISE (ENCOSTA DE
ESSINGTON	2006	G				Y	REDOUTE'S CHOICE--BESAME MUCHO (ENCOSTA DE
MUSIR	2006	C	G1		Y	Y	REDOUTE'S CHOICE--DIZZY DE LAGO (ENCOSTA DE

Stakes winners bred from the DANEHILL--FAIRY KING cross

Stakes Winner	Yob	Sex	Best	Dirt	AWS	Turf	Pedigree
ALEXANDER ALLIANCE	2003	F				Y	DANETIME ex GEHT SCHNELL (FAIRY KING)
ANOTHER COUP	2011	F				Y	DARCI BRAHMA ex GINGER BUT COUP (ENCOSTA DE LAGO)
BALTIC KING	2000	C				Y	DANETIME ex LINDFIELD BELLE (FAIRY KING)
BENETEAU	2007	C	G3			Y	REDOUTE'S CHOICE ex SLICE OF PARADISE (ENCOSTA DE LAGO)
BLUEBERRY HILL	2012	F	G2			Y	MYBOYCHARLIE ex PERKIPSEY (FALBRAV)
BREAK CARD	2006	F				Y	DANZERO ex FLEUR DE JAZZ (FAIRY KING)
BURNSTONE	2012	C				Y	REDOUTE'S CHOICE ex MERLENE DE LAGO (ENCOSTA DE LAGO)
CAMERON	2012	F				Y	ADMIRALOFTHEFLEET ex CAMARIOCA (BURDEN OF PROOF)
CHARLIE BOY	2010	C	G2			Y	MYBOYCHARLIE ex MARITIME (FALBRAV)
CHURCHILL DANCER	2010	C	G2			Y	CHURCHILL DOWNS ex DARK REVIEW (SECOND EMPIRE)
DEFCON	2013	C	G3			Y	CHOISIR ex NUCLEAR FORCE (ENCOSTA DE LAGO)
DELIVER THE POWER	2008	G	G3			Y	TOREADOR ex TARA'S DESTINY (TARA'S HALLS)
DIDNTCOSTALOT	2008	C	G3			Y	DANERICH ex COSTI (ENCOSTA DE LAGO)
DOMINGUES	2005	C	G3			Y	DANETIME ex LINDFIELD BELLE (FAIRY KING)
EMPRESS ROCK	2008	F	G2			Y	FASTNET ROCK ex EMPRESS JADE (ENCOSTA DE LAGO)
ESSINGTON	2006	G				Y	REDOUTE'S CHOICE ex BESAME MUCHO (ENCOSTA DE LAGO)
FIRE THUNDERBOLT	2009	G				Y	CALIFORNIA DANE ex SPIRITED AND SEXY (KING IVOR)
FORGET	2009	C	G3			Y	EXCEED AND EXCEL ex MNEMOSYNE (ENCOSTA DE LAGO)
FRESPANOL	2010	C				Y	CHOISIR ex BESAME MUCHO (ENCOSTA DE LAGO)
FULBRIGHT	2009	C	G2			Y	EXCEED AND EXCEL ex LINDFIELD BELLE (FAIRY KING)
GOLD FORCE	2011	G				Y	FLYING SPUR ex BLUE NOTE (FALBRAV)
IMPERIAL ROME	2008	C				Y	HOLY ROMAN EMPEROR ex RIPALONG (REVOQUE)
INNER WARRIOR	2010	G				Y	GOD'S OWN ex EL MILAGRO (ENCOSTA DE LAGO)
INSTINCTION	2008	C				Y	EXCEED AND EXCEL ex DE LAGO MIST (ENCOSTA DE LAGO)
JAPONISME	2012	C	G1			Y	CHOISIR ex HAIKU (ENCOSTA DE LAGO)
KILLUA CASTLE	2009	G	G3			Y	CHURCHILL DOWNS ex PRAYERS'N'PROMISES (ENCOSTA DE LAGO)
MAULES CREEK	2007	G				Y	REDOUTE'S CHOICE ex BRAMBLE ROSE (SHINKO KING)
MOHAVE	2011	C				Y	EXCEED AND EXCEL ex MARGHAM (ENCOSTA DE LAGO)
MUSIR	2006	C	G1		Y	Y	REDOUTE'S CHOICE ex DIZZY DE LAGO (ENCOSTA DE LAGO)
MY NAME IS BOND	2008	C	G3			Y	MONSIEUR BOND ex LADY ORIANDE (MAKBUL)
NEAREST TO PIN	2009	G				Y	GOLDEN LAKE ex PRINCESS TAYLAH (TURTLE ISLAND)
NOT LISTENIN'TOME	2010	G	G3			Y	DYLAN THOMAS ex FLAME OF SYDNEY (ENCOSTA DE LAGO)
PEEPING	2011	F	G1			Y	REDOUTE'S CHOICE ex MISS MARIELLE (ENCOSTA DE LAGO)
PEGGY JEAN	2011	F	G1			Y	MYBOYCHARLIE ex LADY OF LOVE (LAGO DELIGHT)
PHEIDON	2010	G	G2			Y	AL MAHER ex ENCOSTA QUIDD (ENCOSTA DE LAGO)
PICCADILLY FILLY	2007	F				Y	EXCEED AND EXCEL ex TORTUE (TURTLE ISLAND)
PRIVATE JET	2008	C				Y	AUSSIE RULES ex NORWEGIAN PRINCESS (FAIRY KING)
PROISIR	2009	C	G3			Y	CHOISIR ex PROPHET JEWEL (ENCOSTA DE LAGO)
REBEL CALL	2008	C				Y	EXCEED AND EXCEL ex TERRENORA (ENCOSTA DE LAGO)
SHOWY CHLOE	2012	F	G3			Y	ALFRED NOBEL ex SPECIAL KISEKI (SPECIAL BOND)
SOOKIE	2009	F	G3			Y	CASINO PRINCE (AUS) ex PURPLE BLOOD (ENCOSTA DE LAGO)
SPILL THE BEANS	2012	C	G3			Y	SNITZEL ex MISS DODWELL (FALBRAV)
SUCCESS DAYS	2012	C	G3			Y	JEREMY ex MALAICA (ROI GIRONDE)

## **PEDIGREE RATING SCORES - “NICKS”**

It's a simple formula – It's all about risk reduction.

Nicks have become an integral part of the decision-making process in the mating and purchasing of thoroughbreds. Most breeders recognise that an affinity or compatibility can exist between two thoroughbred sire lines, such that, when crossed, those lines yielded a greater proportion of superior runners than when either one of them are crossed with any other sire lines. Great breeders, from Federico Tesio to present-day breeders around the world have relied on observed nicks to help guide their breeding plans and buying decisions.

### **Over 70% of ALL Stakes Winners are “A” Rated Nicks**

In order to identify nicks in a systematic way, the software database we use developed an evaluation method based on sire-line analysis. Ongoing studies by researchers show that approximately 25% of the Thoroughbred population is the product of highly successful nicks ("A" rated nicks) while over 70% of stakes winners come from these "A" rated nicks!

#### **Statistics:**

There are approximately 20,000 live foals born each year –  
25% (5,000) are A Rated whilst 75% (15,000) are rated below.

There are 541 Stakes Races in Australia this racing season.

70% (379) will be won from the 5,000 A rated foals born (7.6%)

30% (162) will be won from the 15,000 foals in the lower rated group (1.08%).

For a practical businessperson seeking a return on money invested, it makes no sense to ignore statistically unfavorable odds. Buying a superior racehorse is already a difficult enough proposition. The Rating systems we use allow us to see into the future by looking into the past and thereby to avoid those mating patterns that have failed. The Nick Rating enables us to avoid crosses that have had little or no success in the past. At the same time, it enables us to identify and thus duplicate successful sire-line crosses, dramatically increasing the chances of success.

Over the years evaluating Nicks have proven to be an invaluable tool in the stallion selection process when identifying yearlings for purchase. Dean Watt, Managing Director of Dynamic Syndications has enjoyed great success as a result of utilising such information. For example:

**SAVABEEL, POLAR SUCCESS, HE'S NO PIE EATER, ATOMIC FORCE, ECONSUL, DE BEERS, BRADBURY'S LUCK, TENANT'S TIARA and REWARD FOR EFFORT** were all superior racehorses who had superior pedigree ratings.

<b>ECONSUL</b>	<b>A+ +</b>	<b>13,862%</b>
<b>SAVABEEL</b>	<b>A+ +</b>	<b>9,325%</b>
<b>DEBEERS</b>	<b>A+ +</b>	<b>4,270%</b>
<b>POLAR SUCCESS</b>	<b>A+ +</b>	<b>2,240%</b>
<b>REWARD FOR EFFORT</b>	<b>A+</b>	<b>1,175%</b>
<b>ATOMIC FORCE</b>	<b>A+</b>	<b>988%</b>
<b>BRADBURY'S LUCK</b>	<b>A</b>	<b>485%</b>
<b>TENANT'S TIARA</b>	<b>A</b>	<b>238%</b>
<b>HE'S NO PIE EATER</b>	<b>A</b>	<b>161%</b>

Further afield, in 2008 the Top 5 Racehorses in the world had the following ratings:

<b>1 CURLIN</b>	<b>A+</b>	<b>1,375%</b>
<b>2 NEW APPROACH</b>	<b>A+</b>	<b>1,472%</b>
<b>3 RAVEN'S PASS</b>	<b>A+ +</b>	<b>5,961%</b>
<b>4 DUKE OF MARMALADE</b>	<b>A</b>	<b>409%</b>
<b>5 HENRYTHE NAVIGATOR</b>	<b>A+ +</b>	<b>1,531%</b>

Then to further support the theories, in 2008 there was 67 Group 1 races run in Australia. These races were won by 48 individual horses. When these 48 individuals' pedigrees were analysed it showed:

**35 / 48 Rated A or above = 73% of Individual Group 1 Winners Rates A or above**

Affinity between sire lines was long ago observed by the world's best thoroughbred breeders. Today through modern technologies we are able to quantify what was once only a subjective judgment based on the observations of a relatively small equine population.

Ratings are essentially the objective measurement of success, or lack therefore, of sire-line crosses. Success is quantified by being the winners of stakes races with a prizemoney of at least \$50,000. Through software databases, containing the pedigrees of all such winners since 1977 (over 30,000 winners), we are able to more easily identify what sire-line crosses have succeeded in producing stakes winners and compare those numbers with the stakes winning population on the whole.

Often a sire line may appear to be successful with a particular broodmare sire line. However, if the level of success is no better than that sire line's success with the entire population, then there is not a true nick.

In order to understand the ratings for easy use, a letter-grade scale was developed. As in the scholastic setting, the scales ranges from F (Fail) through to A with A+ also A++ and now since 2011 the software system now identifies A+++ as possible to be achieved in some select instances. The Variants (percentages) shown in the table below are the deviation from the norm that has been observed by that sire line cross in question. On this

scale -15% to +15% (C) is considered average, meaning that the sire-line cross has yielded results that are statistically no better and no worse than what would be expected with the entire population.

An "A" rated nick indicates that a far greater percentage of stakes winners have resulted from that cross than expected. An "F" rated nick indicates that the number of stakes winners resulting from a cross is at least 50% below expectations. This does not mean that there cannot be success or will not be success from such a mating in the future. It does mean that in all the experience of the last 20 + years of winners of stakes races, that type of mating has had a significant lack of success as measured by stakes winner production.

It must be stressed that a below "Average" rating does not guarantee or even predict failure. It means only that, to date, the particular sire-line cross has fallen at least 16% short of what would be expected. Nicks can and do change over time.

Consequently, an above Average Rating must be kept in proper perspective as there are other factors that must be considered when selecting a horse for purchase. Specifically, conformation evaluation is critical. A thoroughbred may have a brilliant pedigree on paper that rates as either Excellent, Superior, Superb or Outstanding on our Ratings Score however if the skeletal structure and/or the overall constitution of the individual is lacking then the horse is rejected as a candidate for purchase.

**The Rating Scale is shown below:**

<b>Nick</b>	<b>Horse</b>	<b>Variant %</b>
A+++	Excellent	+20,000 and above
A++	Superior	+1,501 to + 19,999
A+	Superb	+500 to +1,500
A	Outstanding	+150 to +499
B+	Very Good	+100 to +149
B	Good	+50 to +99
C+	Acceptable	+16 to +49
C	Average	-15 to +15
D+	Weak	-16 to -34
D	Poor	-35 to -49
F	Unsuccessful	-50
0 SW	Zero Stakes Winners	0 SW

Dynamic Syndications uses these rating tools along with additional pedigree analysis systems from other software databases which skewer the data to local environmental factors and we have introduced a ranking on the class of Stakes Races which are won to establish what we consider is an inherent opportunity of greater racetrack success. Often a horse can have a very high Nick rating and yet score lowly on the variant and visa versa. We use this information to assist us in pedigree selections after the physical inspections have also been considered. Also we cannot blindly accept a rating score. For example Australia has only 2.9% of our races listed as Stakes Races whilst New Zealand has 9.7% and Ireland has 13.1%. Obviously the data will be weighted in certain directions if we did not counter this information with a ranking on the Stakes Races based upon country and class of race, racing region within the country and climatic conditions in the region. After adjustments the rating scale is presented below.

### **Quality Rating Summary**

It is undeniable that racing class is in great part a function of the *quality* of ancestors contributing to new individual. It follows that certain quality stallions tend to contribute more favorably than other sires. When Quality points contributed by such deserving sires are combined with dosage points, the total points more accurately reflect the overall class of a pedigree.

The *Quality sires* in a pedigree contribute quality points (QP) to the new individual in exactly the same way as ancestral sires contribute dosage points (DP). The total number of *Quality points* is added to the *Dosage points* to get *Total Points* (TP).

The Quality Rating, which ranges from zero, as the low, to ten, as the high, is scaled to the number of total points in the pedigree:

Total Points	Quality Rating
0	Q0
1 to 4	Q1
5 to 9	Q2
10 to 14	Q3
15 to 19	Q4
20 to 24	Q5
25 to 29	Q6
30 to 39	Q7
40 to 44	Q8
45 to 54	Q9
55 +	Q10

# What is a Best of Sale Rating ?

Selecting yearlings that excel on the racetrack takes expert analysis of pedigree and conformation as well as luck. Best of Sale recommendations offers a unique, proven method of identifying potential superstars based on a variety of pedigree factors.

The approach to evaluating auction entries draws upon data of successful breeding patterns of the winners identified by analysing the pedigrees of the winners of stakes races run since early 1990's. The target is to identify the compatibility of matings as reflected in part, by the initial pedigree rating + the quality of mating based upon the performance of sire + broodmare sire + female families. Then add in the aptitude balance of matings as supplied by the contributions of specific *chef de race* ancestors, and successful patterns of inbreeding.

While some of these may be obvious choices to most buyers, the majority of them are not so obvious and many potential buyers, whom do not understand the genetic aspects of pedigrees or dismiss the relevance of same, overlook these potential superstars.

## Best of Sale Recommendations

Each lot number in a sale is rated for both its genetic compatibility and to the Best of Sale recommendation. They are given a simple Star Rating, from 5 Stars being the highest rating to 1 Star being the minimum qualifier. Best of Sale rating is an overall pedigree rating and takes into account all pedigree-related indicators as declared above.

However it only refers to the auction sale database against which it's being compared. Outside of these parameters, we return specifically to the pedigree rating alone. We are searching for competitive advantage against all other catalogued lots which is vitally important in closed race series races.

We embrace the favorable information and disregard horses with unfavorable aspects to pedigree rating, inbreeding, strength of the female family, evaluation of a stallion's stats and/or potential, sex biases, etc.

Frequently, selections are 'A' or better genetic nicks but we do see entries that are 'B' and 'C' (average) nicks occasionally that correspond with some very favorable breeding pattern that swings the balance in their favor. Only the Best of Sale recommendations get a Star Rating, so a one-star selection raises a mating well above its peers and merits a physical inspection.

Using Best of Sale recommendations in conjunction with our rigorous physical inspection systems of each of the horses, can dramatically improve our chances of selecting a potential quality runner.



## **Past Best of Sale Success**

The formula for evaluating all the pedigrees of specific auction sale has proven very successful for us.

### **Our resume speaks for itself.**

The data used commenced collection in 1990. Now well over twenty years evolved, Best of Sale categories as at the end of 2012 have resulted world wide in over 32,600 individual winners, 2,975 stakes winners, and 220 individual G1 winners !

Obviously the recommendations are only a part of the selection process. We still rely heavily on the conformation and athleticism of the individual, the horse husbandry techniques, commercial success and track record of the vendor and most importantly, the commercial value of the progeny.

Again we are well advanced in this regard. Dynamic Syndications Managing Director Dean Watt has over 30 years experience as a Bloodstock Consultant and is a Member of the Bloodstock Agents Federation – Australia. Dean as a licenced Commercial Agent is experienced in the art of thoroughbred valuation based upon specific formula and historical data determining current market “true price”.

In addition, with the vast wealth of experience and available data, farms that produce quality winners at a constant rate are easily identified statistically equally as those who do not.

***Knowledge, Due Diligence and Attention to Detail – That’s what sets Dynamic Syndications well above its peers in the competitive environment of syndication of racehorses.***



ENHANCED

HYPOTHETICAL: =Fastnet Rock (AUS) -- =Sevruga (AUS)  
Based on the cross of Danehill and his sons/Encosta de Lago (AUS)

**B+**  
Variant = 2.07

Hypothetical Foal	=Fastnet Rock (AUS), 01 b	Danehill, 86 b	Danzig, 77 b	Northern Dancer, 61 b	Nearctic, 54 br
				Pas de Nom, 68 dk b/	Natalma, 57 b
			Razyana, 81 b	His Majesty, 68 b	Admiral's Voyage, 59 dk b/
				Spring Adieu, 74 b	*Petitioner, 52 b
					*Ribot, 52 b
		Piccadilly Circus (AUS), 95 b	Royal Academy, 87 b		Flower Bowl, 52 b
					Buckpasser, 63 b
			=Gatana (AUS), 89 b		Natalma, 57 b
					Northern Dancer, 61 b
					Flaming Page, 59 b
	=Sevruga (AUS), 07 ch	=Encosta de Lago (AUS), 93 b	Fairy King, 82 b	Northern Dancer, 61 b	Nearctic, 54 br
				Fairy Bridge, 75 b	Natalma, 57 b
			=Shoal Creek (AUS), 88 ch	=Star Way (GB), 77 ch	Bold Reason, 68 b
					Special, 69 b
					*Star Appeal, 70 b
		Prawn Cocktail, 92 b	Artichoke, 81 b	Rolls, 84 ch	=New Way (GB), 70 ch
					Mr. Prospector, 70 b
			Crimson Saint, 69 ch	Jacinto, 62 br	Grand Luxe, 74 ch
				Ivory Tower, 60 b	Bold Ruler, 54 dk b
					*Cascade II, 51 br
		Hill Prince, 47 b			
		Rosy Prospect, 53 b			
		Spy Song, 43 br			
		*Papila, 43 ch			
		Bolero, 46 ch			
		First Rose, 46 b			

Pedigree Statistics	
Coefficient of Relatedness: 5.96%	Pedigree Completeness: 100.00%
Inbreeding Coefficient: 3.84%	Unique Ancestors: 363/510

Dosage Information	
Dosage Profile: 4 4 7 1 0	
Dosage Index: 2.56	Center of Distribution: +0.69

Notes on terminology in this report: **Coefficient of Relatedness** measures the degree of relatedness between sire and dam to six generations; **Inbreeding Coefficient** measures the mating's degree of inbreeding to eight generations; **Pedigree Completeness** is the portion of the pedigree that is on file to eight generations; **Unique Ancestors** is the number of unique names found to eight generations; **Dosage Information:** visit [www.chef-de-race.com/dosage.htm](http://www.chef-de-race.com/dosage.htm) **Direct Cross** refers to the exact sire over exact broodmare sire; **Rated Cross** is the cross used to base the TrueNicks rating and may differ from the direct cross to maintain statistical significance; **AEI:** Average Earnings Index; **AWD:** Average Winning Distance (in furlongs). All currency figures are converted to U.S. dollars at the time of race or sale.

Pedigree and racing information provided by:



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**HYPOTHETICAL: =Fastnet Rock (AUS) -- =Sevruga (AUS)**  
**Based on the cross of Danehill and his sons/Encosta de Lago (AUS)**

**B+**  
**Variant = 2.07**

Starters Considered in Rated Cross		Auction Results - All Foals on Direct Sire/Broodmare Sire Cross				Surface Performance for Rated Cross			
		Type	#Sold	Avg	Med	Type	Dirt	Turf	AW
Direct Sire/ Broodmare Sire Cross	30	Weanlings	7	\$70,543	\$64,617	Starters	27	269	58
Additional Starters on Rated Cross	241	Yearlings	36	\$275,308	\$199,225	Winners	12	147	19
Total Starters	271	2YOs	1	\$148,971	\$148,971	SW	-	16	1

Sire		Broodmare Sire	
Sire Name	=Fastnet Rock (AUS)	Broodmare Sire Name	=Encosta de Lago (AUS)
Sire AEI	2.07	Broodmare Sire AEI	1.20
Progeny AWD	7.01 f	Progeny AWD as BM Sire	6.76 f
Chief Earner	Mosheen (AUS) (\$2,889,624)	Chief Earner	Musir (AUS) (\$2,496,815)

	All Foals Bred on Rated Cross			By Sire Line with Other Mares	Out of BM Sire Line with Other Sires
	All Foals	Colts	Fillies	All Foals	All Foals
Foals of Racing Age	444	225	219	74,501	1,643
Starters (% Foals of Racing Age)	271 (61%)	136 (60%)	135 (62%)	46,930 (63%)	933 (57%)
Winners (% Starters)	157 (58%)	84 (62%)	73 (54%)	27,921 (59%)	540 (58%)
SW (% Starters)	16 (6%)	13 (10%)	3 (2%)	2,166 (5%)	34 (4%)
Earnings	\$16,900,929	\$12,691,442	\$4,209,487	\$2,168,863,602	\$35,864,273
Avg Distance Raced	6.95 f	7.08 f	6.78 f	7.50 f	6.77 f
Avg Winning Distance	6.87 f	6.88 f	6.85 f	7.49 f	6.73 f

Top 15 Foals Bred on Rated Cross				
Name	Sex	Foaled	Sire/Broodmare Sire	Best Race
<u>MUSIR (AUS)</u>	Horse	2006	Redoute's Choice (AUS)/Encosta de Lago (AUS)	G1SW
<u>PEEPING (AUS)</u>	Mare	2011	Redoute's Choice (AUS)/Encosta de Lago (AUS)	G1SW
<u>EMPRESS ROCK (AUS)</u>	Mare	2008	Fastnet Rock (AUS)/Encosta de Lago (AUS)	G2SW
<u>PHEIDON (AUS)</u>	Gelding	2010	Al Maher (AUS)/Encosta de Lago (AUS)	G2SW
<u>NOT LISTENIN'TOME (AUS)</u>	Gelding	2010	Dylan Thomas (IRE)/Encosta de Lago (AUS)	G3SW
<u>DIDNTCOSTALOT (AUS)</u>	Gelding	2008	Danerich (AUS)/Encosta de Lago (AUS)	G3SW
<u>FORGET (AUS)</u>	Gelding	2009	Exceed And Excel (AUS)/Encosta de Lago (AUS)	G3SW
<u>BENETEAU (AUS)</u>	Horse	2007	Redoute's Choice (AUS)/Encosta de Lago (AUS)	G3SW
<u>KILLUA CASTLE (AUS)</u>	Gelding	2009	Churchill Downs (AUS)/Encosta de Lago (AUS)	G3SW
<u>MOOFFEED (AUS)</u>	Horse	2010	Duke of Marmalade (IRE)/Encosta de Lago (AUS)	G3SW
<u>ESSINGTON (AUS)</u>	Gelding	2006	Redoute's Choice (AUS)/Encosta de Lago (AUS)	SW
<u>INSTINCTION (AUS)</u>	Horse	2008	Exceed And Excel (AUS)/Encosta de Lago (AUS)	SW
<u>MOHAVE (AUS)</u>	Gelding	2011	Exceed And Excel (AUS)/Encosta de Lago (AUS)	SW
<u>REBEL CALL (AUS)</u>	Gelding	2008	Exceed And Excel (AUS)/Encosta de Lago (AUS)	SW
<u>ANOTHER COUP (NZ)</u>	Mare	2011	Darci Brahma (NZ)/Encosta de Lago (AUS)	SW

Pedigree and racing information provided by:



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# WILLIAM INGLIS & SON LIMITED

A.B.N. 75 000 011 307

## Acknowledgement of Purchase

Date: 5/4/16

I hereby acknowledge purchase of Lot: 69

Purchase price: \$125,000  
Excluding any applicable GST

and acknowledge that I have read and am familiar with the "Conditions of Sale" governing this sale as printed in the sale catalogue, that I am bound by the terms thereof and that, notwithstanding the party named as purchaser, I am liable as principal.

BUYER CODE: 

D	y	N	A	M	I	C	
---	---	---	---	---	---	---	--

PURCHASER: \_\_\_\_\_

ADDRESS: DYNAMIC SYND/DEAN WATT  
BLOODSTOCK FBAA / GAI

PHONE (MOBILE): \_\_\_\_\_ WATERHOUSE

PHONE (BUSINESS): ( ) \_\_\_\_\_ RANDWICK

SCOPING:  YES, I do or  NO, I do not require scoping carried out by independent veterinarian arranged by William Inglis & Son Ltd, as my agent.

**NOT APPLICABLE TO BROODMARES.**

BLOOD TEST:  YES, I do or  NO, I do not require a blood sample to be taken from the lot and tested for anabolic androgenic steroids, by the appropriate body approved by the relevant principle racing authority.

**NOT APPLICABLE TO BROODMARES.**

RACE SERIES:  YES, I do or  NO, I do not require my yearling to be nominated for the Inglis Race Series.  
**APPLICABLE TO YEARLINGS ONLY.**

IS THE HORSE BEING EXPORTED  YES or  NO

INSURANCE:  YES, I do or  NO, I do not require William Inglis & Son to organise Fall of the Hammer Mortality Insurance Cover at a competitive rate.

**IMPORTANT:** If insurance cover is required please proceed to the sales day office immediately to complete an insurance proposal form prior to making delivery arrangements.

**NOTE:** I acknowledge that if William Inglis & Son Ltd arranges scoping, blood testing and/or insurance for me, they shall be acting only as my agent, and shall not be responsible to me for any deficiencies therein.

SIGNATURE: \_\_\_\_\_



# Inglis

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Mr Dean Watt  
Dean Watt Thoroughbreds T/As Dynamic Syndications  
PO Box 2324  
TAREN POINT NSW 2229

**2016 AUSTRALIAN EASTER YEARLING SALE**  
**TUESDAY, 5 APRIL 2016**

**TAX INVOICE**

Date: 7-Apr-2016  
Account: WATTD2  
Invoice number: 96181

Lot	Description	Sire/Dam	Sale Price	GST	Total
69	B. Colt	Fastnet Rock (AUS)/Sevruga (AUS)			
	Purchase of Lot 69 at 2016 Australian Easter Yearling Sale		125,000.00	12,500.00	137,500.00
	Blood Test Fee		500.00	50.00	550.00
	Race Series Nomination Fee		2,000.00	200.00	2,200.00
	Scope Fee		165.00	16.50	181.50
SUBTOTAL			\$127,665.00	\$12,766.50	\$140,431.50
TOTAL AMOUNT DUE					\$140,431.50

✕

**PAYMENT OPTIONS**

**EFT directly into our ANZ account:**  
William Inglis & Son Ltd - Bloodstock Sales  
BSB: 012-003  
Account: 8379-29209  
SWIFT Code: ANZ BAU 3M  
Please fax your remittance to (02) 9398 7975  
or email [accounts@inglis.com.au](mailto:accounts@inglis.com.au)

**Cheque:**  
Please attach this slip to your cheque and send to:  
William Inglis & Son Limited  
PO Box 477  
Randwick NSW 2031

**Credit card:**  
Pay online at  
[pay.thoroughbredpayments.com.au/inglis](http://pay.thoroughbredpayments.com.au/inglis)  
Enter Account ID/ Invoice Number as payment reference



# Inglis

Account	WATTD2
Reference	96181
Amount Due	\$ 140,431.50



# Logan Livestock Insurance Agency Pty Ltd

ABN 81 001 826 204

www.logans.com.au

AFS Licence No. 238959

21 PARRAWEEN STREET, CREMORNE NSW 2090 TELEPHONE: (02) 9909 1499 FAX: (02) 9909 8057

Correspondence: P.O. BOX 360, CREMORNE NSW 2090 AUSTRALIA email: postmaster@logans.com.au

7/04/2016

Dynamic Syndications Pty Ltd  
PO Box 2324  
TAREN POINT NSW 2229

## MEMORANDUM OF INSURANCE

**Policy No:** L101608

**Insured:** Dynamic Syndications

**Interest:** Unnamed (Lot 69 AEYS)  
2014 Bay Colt  
Fastnet Rock x Sevruga

**Use:** Flatracing

**Limit of Liability:** Aud\$ 219,940 being 100%

**Period:** 5th April 2016 to 4.00pm 1<sup>st</sup> November 2016

**Coverage Summary:** Mortality Insurance  
Lifesaving Surgery Extension Clause not exceeding \$10,000  
Australia & New Zealand Territorial Limits  
90 Day Extension Clause  
Limited Theft and Unlawful Removal Endorsement  
Terrorism Exclusion Endorsement  
Disability Impairment Guarantee to Syndicate Registration

**Underwriters:** Lloyd's of London

Information on horse insurance is available at -:  
[www.logans.com.au](http://www.logans.com.au)

The Financial Services Guide and Insurance Policy are held by the Syndicator as syndicate manager and/or arranger of the insurance. They are available from them on request.

This Memorandum of Insurance is provided for inclusion in the Promoters Disclosure Statement for the sale of shares in the horse noted above and does not replace the terms and conditions of the policy.





**SHARE APPLICATION FORM**

Applicant – Surname (or Company):		
Given name(s):	Date of birth:	
Street Address:		
Suburb:	State:	Postcode:
Telephone: (Bus)	Home:	Mobile:
Email:		
Tax file number:		
Australian Business Number (ABN), if applicable:		
If you have an ABN number, are you registered for GST (if applicable):		
Where ABN is not supplied, please confirm that you are a hobby owner:		

**[You are required to complete all of the above fields as the information is required by the Registrar of Racehorses when registering ownership].**

**ACKNOWLEDGMENTS**

- (a) I have received and read a copy of the Product Disclosure Statement (“PDS”) relating to the offering of Shares in the currently Unnamed thoroughbred **Bay Colt, foaled 9th October 2014, by FASTNET ROCK from SEVRUGA.**
- (b) I have relied upon my own inquires and independent advice in relation to my financial and legal rights and obligations as the Owner of a Share in the Horse. Furthermore, I acknowledge I have had the opportunity to obtain my own independent financial and legal advice in relation to my acquisition of a Share in the Horse. I further acknowledge and declare that the only information I have received from the Promoter, or any representative of the Promoter, is that detailed in the PDS.
- (c) I agree to be bound by the provisions of the Owners Deed of Agreement, which I have read.
- (d) I acknowledge that DYNAMIC SYNDICATIONS (DEAN WATT THOROUGHBREDS PTY LTD T/AS) ABN 64 134 481 539 (AFSL 3368808) (“the “Promoter”) reserves the right to decline any application, at its discretion, and that the allotment of Shares to any applicant requires the approval of the Promoter. Subject to that right, Shares will be allotted in the order in which applications are received and application monies will be refunded to applicants whose applications are unsuccessful, either because their applications have been declined, or because all the available Shares have been sold. Any interest earned will be paid on the refunds.
- (e) I acknowledge that the Application Price per Share is **\$10.997.00.**
- (f) I authorise the Syndicate Manager to sign on my behalf, and to lodge with the Registrar of Racehorses, any application for registration, or transfer of ownership, relating to the Horse, during the life of the Syndicate.

**APPLICATION FOR SHARES**

I apply for \_\_\_\_\_ Share(s) in the Syndicate at the Application Price per share of **\$10.997.00.**

Attached is a cheque for \$ \_\_\_\_\_ (\$ \_\_\_\_\_ x \_\_\_\_\_) for \_\_\_\_\_ Share(s).  
 Cheques are to be made payable to **DEAN WATT THOROUGHBREDS PTY LTD T/AS DYNAMIC SYNDICATIONS TRUST ACCOUNT** and forwarded with this completed Application Form to **DYNAMIC SYNDICATIONS, PO Box 2324, TAREN POINT, NSW, 2229.**

**HOW TO INVEST**

Shares will not be issued on the basis of this Application after the Offer closing date.

This Application Form must be signed by all parties comprising the Applicant. Joint Applicants must state whether they intend to hold the Share as joint tenants or tenants-in-common. In the absence of any such statement Joint Applicants will be deemed to be tenants-in-common. Tenants-in-common will be deemed to be in equal Shares unless the contrary is stated. The Promoter reserves the right to require the joint holders of a Share to register their own Syndicate with the Registrar of Racehorses in accordance with the Rules of Racing and to own the Share in the name of such Syndicate.

If signed under Power of Attorney, the Attorney hereby certifies that he or she has not received notice of revocation, and undertakes to produce the Power of Attorney (or a certified copy thereof), if requested.

A Company must execute under seal or by an authorised representative. Minimum Application is for one (1) Share. In the case of a representative, satisfactory evidence of appointment must be produced.

This Application Form must not be handed on unless attached to this PDS.

Applicants are advised to seek independent advice as to their legal position and in relation to the value of the Horse, and the Shares, the subject of this PDS.

**THE FOLLOWING PRIVACY NOTICE AND REQUEST FOR PERSONAL INFORMATION IS INCLUDED ON THIS APPLICATION FORM AT THE REQUEST OF THE LEAD REGULATOR):**

**PRIVACY:** The Registrar or Deputy Registrar of Racehorses collects information about all syndicate members when the syndicate manager submits an application to register a syndicate. The Registrar or Deputy Registrar will use that information to assess the application and if the syndicate is approved, the ongoing status of the syndicate. To do that, the Registrar may disclose your information to other racing bodies. On occasion, the Registrar may disclose names and contact details to racing organisations, including race clubs and owners or breeders associations. However, this information will only be disclosed where the Registrar is of the opinion that such communication may be of interest or benefit to you. If you do not want to receive such communication, you may advise the Registrar of that fact at any time. You can gain access to and request changes be made to your information held by the Registrar at any time. You do not have to supply the information requested, but if the information is not provided your application may be rejected.

**PERSONAL INFORMATION:**

1. In the past ten (10) years, have you been convicted of, or is there a pending charge against you, for any offence involving: (a) violence against a person; or (b) dishonest or criminal activity?
2. Have you ever been convicted under the Australian Rules of Racing or rules of any racing authority?

If any applicant should answer “yes” to any of these questions, the applicant must notify the Registrar in writing prior to the lodgement of the application. Such notification must include full details of the conduct in question. The Registrar will advise in writing of having received such notification. That advice should be retained by the applicant as evidence that the appropriate notification has been made. You are advised that should it be established that an individual has neglected or failed to truthfully respond to questions 1(a), 1(b) or 2, this application and any other application concerning the individual may be refused or cancelled at any time. If the notification has previously been advised to the Registrar, there is no need to do it again.

Signature of Applicant – if an individual or duly authorised representative, if a company

\_\_\_\_\_

Signature of witness \_\_\_\_\_

Name of Witness \_\_\_\_\_

Address of Witness \_\_\_\_\_

Dated \_\_\_\_\_