

PRODUCT DISCLOSURE STATEMENT

(P. D. S.)

For the Sale of Shares in a Racehorse

Lead Regulator Approved

HORSE: UNNAMED THOROUGHBRED Bay Filly 29/8/2011

By : CHOISIR

FROM : CARLTON SHOW by (Hold That Tiger)

**DYNAMIC SYNDICATIONS
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

This *Product Disclosure Statement* ("PDS") is dated **21 January 2013**. This PDS has been prepared by the Promoter in relation to the sale of Shares in the thoroughbred horse to which this PDS relates ("the Syndicate"). This PDS has been lodged with and approved by *Racing NSW*, as *Lead Regulator*. A *Form FS88 (PDS in-use notice)* in relation to this PDS has been lodged on-line with the *Australian Securities and Investments Commission* ("ASIC"). No responsibility as to the contents of this PDS is taken by either the *Lead Regulator*, ASIC, their respective officers, employees or agents. This PDS is available in both printed form and electronically in PDF format.

2. Jurisdiction

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

This PDS has been compiled by the Promoter for presentation to prospective investors in compliance with the disclosure requirements for the public offering of shares set out in *Class Order 02/139* issued by ASIC on 15th February, 2002 ("CO 02/319").

Prospective investors should be aware that the Syndicate is relieved, by the provisions of CO 02/319, from the requirements of *Chapter 5C* of the *Corporations Act*, which would otherwise require that it be established and operated as an ASIC-registered *Managed Investment Scheme*.

4. Cooling-off

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 (5th) 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 (14th) day thereafter ("the Cooling-off expiration date"). An applicant who is a retail investor 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 monies paid to the Promoter.

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

The commercial merits of investing in Shares offered in this PDS should be regarded as being of a speculative nature. The investment is not recommended for investors who are unable to risk the initial outlays and ongoing commitments.

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

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

6. Disclaimer

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*), its related bodies corporate, nor any officer, employee or representative of the Promoter, nor any bodies corporate:

- (i) gives any guarantee with respect to the future success of the Syndicate, the repayment of capital, a return on investment, or the general performance of the Syndicate; or
- (ii) 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 Syndicate.

7. Key features of Syndicate

The following table is only a summary of the features of an investment in the Syndicate. You must read the whole of the *PDS* to obtain more information:

Share holdings	
Application Price per Share	\$6,575.00 (including GST) For further details see Section 10
Total number of Shares	Twenty (20 x 5% Shares)
Minimum Investment	One (1) 5% Share
Additional Investment	Not applicable
Distributions	
Frequency of net income distribution	Directly via the Lead Regulator's Stakes payment system when Prizemoney and Breeders Bonus or Incentive Scheme payments are won. Otherwise within 14 days of the end of each Accounting Period during the life of the Syndicate and on the winding up of the Syndicate; or more frequently if the amount available for distribution warrants it
Payment	By EFT directly to the Owner's nominated bank account, or cheque
Amount	Each Owner's proportionate share of the net income of the Syndicate, if any
Capital distributions	On the winding up of the Syndicate or on the earlier sale of the Horse
Fees	
Entry fee	Nil
Exit fee (on termination of Syndicate)	Nil
Fee payable to Syndicate Manager by each by Owner of a 10%, 5% or 2.5% Share.	\$792 including GST per Share per annum payable by each Owner of a share by monthly instalments in advance of \$66 including GST. For further details see Section 13
Fee payable to the Syndicate Manager by the Trainer	For further details see Section 13
Additional remuneration to which the Syndicate Manager is entitled from the Owners	<ul style="list-style-type: none"> • A fee equivalent to the value of 2% of Prizemoney for wins (and placings 1st to 5th in Group and listed or feature races) where prizemoney won is not less than \$12,000. This percentage will increase to 5% when the total gross value of Prizemoney, Breeder's Bonus or Incentive Scheme payments (cash component

	only) and Trophies won by the Horse exceeds an amount equal to the total value of the Shares in the Horse subject to this PDS. <ul style="list-style-type: none"> • 5% of sale price of Horse • 2 Lifetime Service Rights [only in the event of the Horse being an entire and being retired to stud]. For further details see Section 13
Other fees – Horse expenses	\$1,750 including GST per Share per annum, which equates to \$145.83 per Share per month is estimated. These costs and expenses for training, horse husbandry and care will be invoiced monthly in arrears directly to each Owner by the relevant service providers. For further details see Sections 20(c)
Cost recoveries	Pro-rata. For further details see Sections 20(c)
Insurance – initial premiums included in Application Price	For further details see Section 18
Investments	
Horse investment	The Syndicate relates to the Horse only and to no other horse
Other investments	The capital and any income will be deposited in a trust account or other designated account with a bank or other Australian authorised deposit taking institution, pending expenditure or distribution, as the case may be
Each Shareholder's entitlement to Syndicate Income	Pro rata. For further details see Section 20(b)

8. Promoter

The Promoter of the Offer the subject of this PDS is *DYNAMIC SYNDICATIONS (DEAN WATT THOROUGHBREDS PTY LTD T/AS), of Suite 1, 15-17 Forest Road HURSTVILLE NSW 2220*. The Promoter is the holder of *Australian Financial Services Licence: AFSL 336808*.

The sole director of the Promoter is *DEAN WARREN WATT*. Mr Watt has more than 30 years experience in the syndication and management of thoroughbred horses.

9. Issue

DYNAMIC SYNDICATIONS (DEAN WATT THOROUGHBREDS PTY LTD T/AS) (ABN64 134 481 539) is the owner of the currently **UNNAMED THOROUGHBRED BAY FILLY FOALED 28/9/2011 BY CHOISIR FROM CARLTON SHOW BY HOLD THAT TIGER** and the seller of the Shares the subject of this PDS ("the Offeror").

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

The Syndicate will be known as the *"DYNAMIC SYNDICATIONS [INSERT REGISTERED NAME OF HORSE WHEN AVAILABLE] RACING SYNDICATE"*. It is contemplated that the Owners of Shares will obtain the benefit of Horse from racing, under the terms and conditions of the *Syndicate Deed* and the *Australian Rules of Racing*, a copy of which can be obtained by request from either the *Lead Regulator* or the *Australian Racing Board*.

The Syndicate will commence on the *Commencement Date* specified in Schedule 1 of the *Syndicate Deed* and will operate until the *Termination Date* (to be determined in accordance with the provisions of clause 19 of the *Syndicate Deed*).

Prospective investors should read the *Syndicate Deed*, as each Owner of a Share will be bound by its terms.

10. Application Price

The Offeror proposes to offer Shares to prospective investors at the Application Price per 5% Share of **\$6,575.00** (inclusive of GST), calculated as follows:

Base Sale Price of Horse, excluding GST	\$62,000	
Total Syndicate Establishment Costs	\$57,082	
GST (rounded)	\$11,908	
Registration fees payable to Racing NSW	\$510	
Application Price per 5% Share payable upon application		\$6,575.00

A full breakdown of Syndicate establishment costs, including the margin being charged by the Offeror, is set out in the *Application Price Calculation Sheet* annexed to this *PDS*.

11. How to invest

All Applications for Shares must be made on the enclosed Application Form. Shares will not be issued on the basis of this Application after the Offer closing date. This Application Form includes details of how to invest.

The Promoter will hold all application monies in a separate trust account, or other designated account, with a bank or other Australian authorised deposit taking institution, until the Offer closing date. All application monies received with Applications for Shares which are not accepted by the Promoter will be returned to investors. Any interest earned will be paid on the refunds.

This *PDS* will expire 6 months from the date hereof, or such earlier date as may be determined by the Promoter ("Offer closing date"). The Promoter reserves the right to close the Offer at any time without notice.

In the event this Offer is not fully subscribed by the Offer closing date, the Offer will lapse and all monies received by the Promoter for the purchase of Shares will be refunded, together with any interest earned.

12. Title

The Offeror purchased the Horse, being **Lot 172**, from vendor **SUPREME THROUGHBREDS (As Agent)**, at the **2013 WILLIAM INGLIS CLASSIC YEARLING SALE conducted by WILLIAM INGLIS & SONS LIMITED (ABN 75 000 011 307) at NEWMARKET COMPLEX RANDWICK, NSW, on 20 and 21 January 2013**, for the purchase price of **\$62,000 + GST** ("purchase price"). The Offeror will receive unencumbered title to the Horse upon payment of the purchase price to **WILLIAM INGLIS & SONS LIMITED**.

Within seven (7) days of the Offeror paying the purchase price to **William Inglis & Sons Limited**, the Promoter will compile a register of Owners of the Shares numbered consecutively - **1 to 20** - inclusive.

Within 45 days of the Syndicate being fully subscribed the Promoter will ensure that the Horse is registered in the names of the Owners, in accordance with the provisions of clause 2.5 of the Syndicate Deed.

13. Syndicate Manager

The Promoter will act as Syndicate Manager, as first appointee of the Owners in accordance with the provisions of clause 4 of the Syndicate Deed.

The Syndicate Manager will manage the Syndicate in accordance with the provisions of the *Syndicate Deed* and any rules, regulations or guidelines made from time to time by the *Lead Regulator*.

The Syndicate Manager will be entitled to charge fees to each Owner [approximately \$2.00 per day [see Section 20(c) of this *PDS*] and to the Trainer [approximately \$8.02 per day that the Horse is in full training

with the Trainer], in accordance with the provisions of *clause 4.10* of the *Syndicate Deed*, for acting as Syndicate Manager. The initial fees will be the fees disclosed in *Schedule 1* of the *Syndicate Deed*.

The first appointee only of the Owners as Syndicate Manager will also be entitled to the following additional remuneration:

- (i) A fee equivalent to the value of 2% of Prize money for wins (and placings 1st to 5th in Group and Listed races) where Prizemoney (including Breeders Bonus or Incentive Scheme cash payments) won is not less than \$12,000 in accordance with the provisions of *clause 4.11* of the *Syndicate Deed* [this % figure will increase to 5% when the total gross value of Prizemoney, Breeders Bonus or Incentive Scheme cash payments and Trophies won by the Horse exceeds an amount equal to the total value of the Shares in the Horse the subject of this *PDS*];
- (ii) 5% of the sale price of the Horse, in accordance with the provisions of *clause 4.12* of the *Syndicate Deed*; and
- (iii) 2 Lifetime Service Rights [only in the event of the horse being an entire and being retired to stud], in accordance with the provisions of *clause 4.13* of the *Syndicate Deed*.

The Horse will race in the racing colours nominated by the Syndicate Manager, in accordance with the provisions of *clause 2.6* of the *Syndicate Deed*, being the colours disclosed in *Schedule 1* thereof.

13(b). Information about Management Fees for Prospective Owners

Promoters may include Management Fees in the Product Disclosure Statement.

Management of a horse by a Promoter may be considered important to some investors as certain Promoters may have extensive experience in the industry.

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.

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.

14. Racing Manager

DEAN WARREN WATT will act as Racing Manager, as first appointee of the Syndicate Manager as Racing Manager, in accordance with the provisions of *clause 5* of the *Syndicate Deed*.

15. Trainer

CHRIS WALLER will train the Horse. His main stables are based at **ROSEHILL NSW** and he also has stables at **FLEMINGTON VIC**. The horse may transfer between stables should opportunities present. He is the first appointee of the Syndicate Manager as Trainer, in accordance with the provisions of *clause 6.2* of the *Syndicate Deed*.

CHRIS WALLER has agreed to train the Horse.

16. Veterinary Report

DR TIM ROBERTS of Centennial Park Veterinary Practice (ABN 91 072 794 944) BVSc, Veterinary Surgeon ("Dr Roberts") has provided an initial veterinary report as to the suitability of the Horse for purchase and syndication.

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

17. Assessment of Value

The Promoter relies on the price paid for the Horse by the Offeror at public auction as being the current market value of the Horse.

18. Insurance

The Offeror has arranged mortality insurance cover with LOGAN LIVESTOCK INSURANCE AGENCY (ABN 81 001 826 204) which will expire on **1 November, 2013**, subsequent to which date each Owner will be responsible for assessing his or her own insurance risk and arranging whatever insurance cover he or she considers is appropriate.

19. Interests of the Promoter, the Offeror, the Syndicate Manager, the Racing Manager, their directors and experts

1. The Promoter, the Offeror, 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 promotion of the Syndicate or in the Horse other than the interests detailed in this *PDS*.
2. No Director or proposed Director of the Promoter, the Offeror the Syndicate Manager or the Racing Manager, either has, or has had in the period of two years before the date of this *PDS*, any interest in relation to the promotion of the Syndicate or in the Horse other than emoluments he or she may be entitled to receive from the Offeror, the Promoter, the Syndicate Manager or the Racing Manager and interests detailed in this *PDS*.
3. **Mr WALLER** neither has, nor has had in the period of two years before the date of this *PDS*, any interest in relation to the promotion of the Syndicate or in the Horse, save for the expectation that he will receive fees from training the Horse. Prospective investors should be aware that **Mr WALLER** may train other Horses syndicated and/or managed by the Promoter, Syndicate Manager and/or Racing Manager.
4. **Dr ROBERTS** neither has, nor has had in the period of two years before the date of this *PDS*, any interest in relation to the promotion of the Syndicate or in the Horse except that he will receive a professional fee in connection with the provision of the Veterinary Report. Prospective investors should be aware that **Dr ROBERTS** may provide veterinary services to other Horses syndicated and/or managed by the Promoter, Syndicate Manager and/or Racing Manager.
5. There is nothing in the *Syndicate Deed* to prevent either themselves or any members, officers, directors of the Promoter, the Offeror the Syndicate Manager or the Racing Manager, or any corporation related to any of them or their officers, from purchasing, holding, dealing in or disposing of Shares in the Syndicate, or from otherwise contracting or acting as agent or entering into or being interested in any contract or transaction whatsoever with any other of them or with any Owner.

20. Summary of rights and liabilities attaching to Shares in the Syndicate and other relevant information

The full rights and liabilities attaching to Shares in the Syndicate are set out in the *Syndicate Deed*, a copy of which is annexed to this *PDS*. Each prospective purchaser of a Share should read that document in its entirety, as each Owner of a Share will be bound by its terms. Some important points are as follows:

- (a) None of the Promoter, the Offeror, nor any person or corporation named in the *Syndicate Deed*, nor anyone on behalf of any of them, makes any representation or warranty with regard to either:
 - (i) the suitability of the Horse either for racing or subsequently for stud purposes; or
 - (ii) the reliability or adequacy of any insurance cover arranged for the benefit of the Owners and referred to in this *PDS* or the *Syndicate Deed*;

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

- (b) (i) The Owner of each Share will be entitled to a pro-rata share of net Prizemoney (gross Prizemoney less the obligatory deductions of 10% for the trainer and 5% for the jockey) and Breeders Bonus or Incentive Scheme payments earned by the Horse from racing, in accordance with the provisions of *Clause 2.3* of the *Syndicate Deed*; and
- (ii) The entitlements of the Owners are subject to the default provisions set out in *clause 18* of the *Syndicate Deed*, which afford the Syndicate Manager both the right to suspend an Owner's entitlements whilst in default, and a power of sale in the event such default is not rectified within 14 days of receipt of notice.
- (c) The Owner of each share will be liable for a pro-rata share of costs associated with operating the Syndicate and with maintaining, training and racing the Horse, including any additional gratuities for wins in Group races which the Syndicate Manager may at its discretion agree to pay to the trainer and or jockey (*any such agreement to be communicated in advance and as soon as practical to the partners*) in accordance with the provisions of clauses 3 and 13.

The following are indicative of Syndicate and Horse expenses (inclusive of GST) for a full financial year, payable by each Owner monthly:

	Total for the Syndicate per annum	Per Shareholder per annum	Total per Share per month
Fee payable to Syndicate Manager by owners with 10%, 5%, 2.5% Shareholding		\$792	\$66
Estimated Horse costs (agistment, veterinary, pre-training, training and racing costs etc, but excluding major race entry and acceptance fees). *Note – these costs will vary significantly from month to month depending upon whether or not the Horse is in full training on out of training on agistment.	\$35,000	\$1,750 (5%)	\$145.83* (5%) (indicative only and subject to significant variation from month to month)
Total	\$35,000	\$2,542	\$211.83

- (d) Each Owner, by the provisions of *clause 2.8* of the *Syndicate Deed*, authorises the Syndicate Manager to do all things required to be done by an Owner to comply with the provisions of the *Syndicate Deed* and the *Rules of Racing* including signing a transfer of ownership of that Owner's interest in the event of unremedied default.
- (e) A procedure for determining the entitlements of the Owners to Trophies and replica Trophies is set out in *clause 2.3* of the *Syndicate Deed*.
- (f) A procedure for handling internal complaints is provided by the provisions of *clause 16* of the *Syndicate Deed*, which includes the right of an Owner, in certain circumstances, to have the dispute referred to the *FINANCIAL OMBUDSMAN SERVICE LIMITED (ABN 67 131 124 448)* ("FOS") for determination by conciliation or arbitration.
- (g) Provisions relating to the termination of the Syndicate on either the sale or death of the Horse, Owners agreement by Extraordinary Resolution, the Syndicate Manager electing to wind-up the Syndicate, or by order of the Court, are set out in *clause 19* of the *Syndicate Deed*.
- (h) The Owners rights of indemnity are limited by the provisions of *clauses 20 and 21* of the *Syndicate Deed*.
- (i) Investors should be aware that the Promoter, the Offeror, the Syndicate Manager and/or the Racing Manager, may each retain/acquire Shares in the Syndicate and that they may retain/acquire any number of Shares.

21. Marketing of Shares

An Owner will not be able to offer for purchase, or issue invitations to buy Shares, unless the prospective purchaser is provided with a *PDS* prepared by the Syndicate Manager in accordance with the provisions of *clause 4.8* of the *Syndicate Deed*.

In addition, there are restrictions on the sale of Shares set out in *clause 11* of the *Syndicate Deed*.

There will be no ready market for the Shares. Neither the Syndicate Manager nor the Racing Manager will be obliged to sell a Share on behalf of an Owner. Each Owner should consider the acquisition of a Share as a long term investment for the life of the Syndicate.

22. Warning

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

Each Purchaser of a Share must also acknowledge that there are inherent risks associated with investment in thoroughbred horses, including, without limitation, the following:

- (a) not all horses offered for syndication progress to competing in races;
- (b) 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;
- (c) not all horses which do race either win, or are placed, or earn prize money;
- (d) 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;
- (e) an extremely high percentage of colts are invariably gelded to optimise racing potential; and
- (e) insurance is available against some, but not all, risks associated with the ownership of thoroughbred horses.

23. Risk

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

- (a) the skill and expertise of the individuals engaged to manage, maintain and market the Horse, as well as the manner in which these functions are carried out;
- (b) the race performances of the Horse;
- (c) the Horse may die or its value may be diminished as a consequence of accident, injury, contraction of disease or natural cause;
- (d) the level of demand for horses of equivalent calibre both at public auction and by private treaty;
- (e) the level of supply of horses of equivalent calibre both at public auction and by private treaty;
- (f) any change in the current conditions affecting investment in the thoroughbred horse industry, including level of prize money and taxation benefits available to breeders;

- (g) changing conditions within the Australian economy generally; and
 - (h) the price which buyers at public auction or by private treaty are willing to pay either for the Horse, or Shares in the Horse, if offered for sale, may not reflect either the purchase price paid by the Offeror for the Horse or the sale price of the Shares offered under this *PDS*.
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Declaration

I *DEAN WARREN WATT*, Sole Director of *DYNAMIC SYNDICATIONS (DEAN WATT THOROUGHBREDS PTY LTD T/AS)* declare that:

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



DEAN WARREN WATT

21 January 2013

SCHEDULE

APPLICATION PRICE CALCULATION SHEET

CHOISIR / CARLTON SHOW – Bay Filly 2011 – Lot 172

* A statement setting out expenses incurred by the Promoter in the formation of the promotion.

(A) Actual Cost - FALL OF HAMMER Price	\$ 62,000
(B) Costs Incurred in Acquisition of Horse	\$ 26,624
(C) Actual & Budgeted Forward Horse Husbandry Costs	\$ 12,623
(D) Syndicate Establishment, Promotion, Accounting & Legal	<u>\$ 17,835</u>
	\$119,082+
(E) GST	<u>\$ 11,908</u>
	\$130,990 +
(F) Racing Authority Registration Fees \$510 (GST Exempt)	<u>\$ 510</u>
<u>TOTAL SYNDICATION VALUE</u> (including GST to 30/6/13)	<u>\$131,500</u>

(A) PURCHASE PRICE = \$90,000 + GST

Purchase Price:

\$62,000 + GST

Fall of Hammer Price in Sale Ring (+ GST)

(B) VARIOUS ACQUISITION COSTS = \$26,624 + GST

Dynamic Syndications Profit Margin On This Promotion

\$7,750 + GST

12.5% on the Fall Of Hammer Sale Price = \$62,000 x 12.5%

Veterinary Report for PDS

\$195 + GST

ASIC - PDS in-use Form 88

\$33 + GST

Insurance – 4 x Premiums:**\$8,968 + GST**

- (1) - Mortality cover from Fall of Hammer to 1/11/2013 on \$171,600 syndicated value
- (2) - Colic Cover
- (3) - Disability / Impairment Guarantee - Fall Of Hammer Price to Registration Date
- (4) - P. I. Cover
- (5) - Stamp Duty

6 x Race Series Eligibility Payments:**\$6,218 + GST**

- * Entry Fee Inglis Race Series – One off payment = \$2,000
- * Entry Fee BOBS 2-3YO Series – One off payment = \$900
- * Entry Fee Super VOBIS “Category C” – One off payment = \$1,800
- * Entry Fee VOBIS GOLD Series – One off payment - \$1,000
- * Golden Slipper & Golden Rose eligibility payment \$318
- * Blue Diamond eligibility payment \$200

Acquisition Costs: (Inglis Classic 2013)**\$3,460 + GST**

- * Veterinary work conducted at saleyard by Dr Tim Roberts in Selection Process includes: Physical Inspections, X-Rays and Endoscopic evaluation divided pro-rata across all yearlings purchased for syndication = \$1,638
- * Sales Expenses incurred in attending sale divided by yearlings purchased for syndication = \$862
- * Miscellaneous Costs = Professional Photographers, Pedigree Ratings Software Fee - Pro Rata across all yearlings purchased for syndication = \$960

(C) HORSE HUSBANDRY ACCOUNTS BUDGET TO 30/06/13 =***\$12,623 + GST*****Planning and Progression for the horse from 13/1/13 to 30/6/13**

- Transport on 12/1/13 from Sales Complex to Oakridge Spelling Farm NSW = \$210
- Agistment from Date of Arrival at Oakridge to 31 January – 10 days = \$345
- Agistment from 1 February – 29 February = \$986
- 1 March Transport to educators to commence breaking-in process = \$180
- Education process over 35 days (5 weeks) including stabling & agistment = \$2,900
- Transport 4 April to Wild Oaks Farm Pre-Trainers Stables = \$210
- 14 days education in racing stables at Wild Oaks Farm @ \$75 = \$1,050
- Miscellaneous additional costs at Wild Oaks Farm include Track Fees, Farrier Feet Trim and Shoes, Dentist, Parasite Drench = \$372
- 18 April Transport return to Oakridge Spelling Farm = \$150
- April Agistment at Oakridge Spelling Farm 13 days = \$442
- Agistment 1 May – 31 May 31 Days at Oakridge Spelling Farm
- + Feet Trim and Drench = \$1,442
- 1 June Transport to Educators second session \$180
- 1 June Educators for 14 days refresher course = \$1,160

15 June Return to Wild Oaks Farm Pre-Trainers Stables = \$150
 21 days in racing stables at Wild Oaks = \$1,785
 Miscellaneous additional costs at Wild Oaks Farm include Track Fees, Farrier Feet Trim and Shoes, Dentist, Parasite Drench = \$396
 Transport 22/6 to Oakridge Spelling Farm = \$150
 June Agistment 8 days at Oakridge + Feet Trim and Drench = \$515

(D) BUDGETED SYNDICATE ESTABLISHMENT & PROMOTION =
\$17,835 + GST

Statutory Auditing; Accounting & Legal Fees = \$6,700

Auditors Fee: (Pro Rata) \$3,500, Chartered Accountants Fee (Pro Rata): \$1,200, Legal Fees (Pro Rata): Macquarie Legal Practice \$2,000.

Establishment & Promotion = \$11,135

Postage, Printing, Handling, Stationary \$128, Communications via Telephone, Fax, Email, SMS (Pro Rata) \$325, Marketing & Promotional, Banking, Merchant Service / Eftpos Fees (Pro Rata) \$825, IT Service Provider (Pro Rata) \$857, Advertising = \$9,000 (Pro Rata expenses across all yearlings for Syndication in 2013 : TV – Radio – Websites: TVN – Sky Channel - Sky Sports Radio – Bloodstock.com & other websites).

All prices above have been recorded as GST exclusive

(E) GST: (10 % Goods & Services Tax) **\$ 11,908**

SUB-TOTAL OF COSTS ***\$130,990 +***

(F) RACING AUTHORITY STATUTORY FEES (GST Exempt) **\$ 510**

Racehorse Registration Fee \$110, PDS Application Fee \$150,
 Racing Syndicate Registration Fee \$250

TOTAL PRICE TO: 30/06/13 **\$131,500**

10% Shares @ \$13,150 (including GST) per share

5% Shares @ \$6,575 (including GST) per share

CENTENNIAL PARK VETERINARY PRACTICE



A.B.N. 91 072 794 944

VETERINARY EXAMINATION FOR DYNAMIC SYNDICATIONS

At the request of Dynamic Syndications, a pre-sale veterinary examination of **Lot 172, CHOISIR ex CARLTON SHOW Bay Yearling Filly**, brands as described in the 2013 William Inglis Classic Yearling Sale Catalogue, was carried out at the Newmarket Sales Complex Randwick, NSW, on the 19th January 2013, prior to the commencement of the Inglis Classic Yearling Sale.

Clinical Examination:

This was a superior presented individual. She was very well conformed. She was athletic, well balanced with good length of rein and a good flowing action at the walk. She had an excellent length of stride stretching out over ground. The angulations to shoulder and pastern were correct. She has a strong hindquarter. She was a free moving individual who was presented in excellent condition for inspection. The filly is still immature and will develop further. When fully mature, she is expected to reach an above average height of approximately 16.0 hh. Stethoscope examination of heartbeat was normal. She was examined in hand, and was found to be free moving. There was no clinical evidence of wear or injury to its extremities. There was no response to flexion tests. All clinical parameters were found to be within normal limits.

Radiographic Examination:

Pre-sale there was a full set of radiographs available for inspection in the repository at the Inglis Sales Complex. Upon examination, in my opinion there were no radiographic findings of any significance noted.

Endoscopic Examination:

Post sale the upper respiratory tract was examined endoscopically and the larynx and pharynx were found to be normal in appearance and function.

Conclusion:

In my opinion, at the time of this examination, **Lot 172, CHOISIR ex CARLTON SHOW Bay Yearling Filly** is in so far as can be determined from the extensive examination conducted; suitable for racing and public syndication and as such, is therefore suitable for all risk mortality insurance cover. I confirm that I advised Dynamic Syndications that in my opinion this lot was suitable for their purchase.

Yours faithfully,

Dr. T.M.B. Roberts BVSc. MRCVS
21 January 2013

NB: This examination is valid for seven (7) days and is only for the use of the person requesting the examination. The issuer of this certificate has no financial interest in the above horse and no contract with any other third party. The issuer has a long standing relationship with Dynamic Syndications to provide a detailed veterinary assessment and specific advice on suitability of prospective yearling purchases at all yearling sales within Australasia.

Veterinary Surgeon: Dr TMB ROBERTS BVSC. (SYD.) MRCVS
Telephone: (02) 93606970 Facsimile: (02) 93806203 email: cpvp@bigpond.net.au
PO Box 535 Randwick NSW 2031 AUSTRALIA
www.equinevet.com.au



Stable 2 Rows J 7 & P
On Account of SUPREME THOROUGHBREDS,
Romsey, Vic (As Agent)



Lot 172 (With 40% GST)

BAY FILLY

(Branded nr sh. $\frac{3}{1}$ off sh. Foaled 29th August 2011)

(SIRE)	Danehill Dancer (Ire).....	Danehill (USA).....	by Danzig.....
CHOISIR	Great Selection	Mira Adonde.....	by Sharpen Up.....
		Lunchtime (GB).....	by Silly Season.....
		Pensive Mood.....	by Biscay.....
(DAM)	Hold That Tiger (USA)	Storm Cat.....	by Storm Bird.....
CARLTON SHOW		Beware of the Cat	by Caveat.....
2005	Aces Royale	King's High	by Full on Aces
		Fairest Afar.....	by Brave Salute

CHOISIR (AUS) (Chestnut 1999-Stud 2003). 7 wins-3 at 2, VRC Lightning S., Gr.1. Sire of 934 mrs, 558 wnrs, 45 SW, inc. Starspangledbanner (MRC Caulfield Guineas, Gr.1), Sacred Choice, Olympic Glory, Choice Bro, Dreamscape, Hurried Choice, Obviously, Celtic Dancer, Stimulation, Chandlery, Champagne Harmony, Gold Water, Incumbent, Lady Springbank, Monsieur Joe, Psychologist, Uxorious, Proisir, Cute Emily, Gossamer Seed, Rockshaft, etc.

1st Dam

CARLTON SHOW, by *Hold That Tiger (USA)*. Unraced. Half-sister to **CARLTON SPIRIT**, **Carlton Ace**. This is her first living foal.

2nd Dam

Aces Royale, by *King's High*. **2 wins**—1 at 2—at 1200, 1406m, 2d MVRC Tobin Bronze S., L, SAJC Canonise H., 3d VRC Kevin Sheedy 2YO H., SAJC Plympton Park H., Onkaparinga RC Nubrik Hallet 2YO H. Dam of 8 named foals, 6 to race, **all winners**, inc:-

CARLTON SPIRIT (*f Fraar (USA)*) **2 wins**—1 at 2—at 900, 1000m, \$199,850, MRC Debutante S., L, Dual Choice H., 2d MVRC William Crockett S., L, MRC New Glean H., Benalla RC D&R Henderson H., VRC Jade H., 4th VRC Red Roses S., L, MRC WW Cockram S., L. Producer.

Carlton Ace (*f Bianconi (USA)*) **2 wins** at 2 at 1000m, \$130,100, MRC Rancher 2YO P., MVRC Skilled Employees 2YO Sprint P., 2d MVRC Leslie Froggatt S., L, 4th VRC Thoroughbred Breeders' S., **Gr 3**. Dam of-

Carlton Forward (*g Charge Forward*) **4 wins**—1 at 2—1000 to 1200m, \$151,697, to 2011-12, VRC Western Health P., BRC Markinson Business Solutions H., 2d BTC Tommy Smith Slipper, L, MVRC Junior Jocks Xmas Party 2YO P., 3d BRC Girls Day Out H., 4th MRC HDF McNeil S., **Gr 3**.

Al's Magic Miss (*f Magic Albert*) **3 wins**—2 at 2—at 1000, 1100m, \$164,530, to 2011-12, ATC Rosebud Fillies Preview H., New Beginnings 2YO H., International Animal Health H., 2d ATC Heritage S., L, 4th ATC Silver Slipper S., **Gr 2**, Sweet Embrace S., **Gr 3**, Silver Shadow S., **Gr 3**.

Stratumsphere. **3 wins**—2 at 2—at 1000, 1100m to 2012-13, MVRC Essendon Hyundai I30 2YO H., 3d SAJC Tattsbet H.

Winning Hand. **Winner** at 2 at 1000m, SAJC CBUS 2YO P.

3rd Dam

FAIREST AFAR, by *Brave Salute*. **Winner** at 1010m. Half-sister to **FLANDERS FIELDS** (dam of **POTTER MCQUEEN**). Dam of 2 foals, **both winners**, inc:-
Aces Royale (*f King's High*) **2 wins**. See above.

4th Dam

Poppy Show, by *Village Square (USA)*. **2 wins** at 2 at 1000m, 2d VATC Blue Diamond S., Adelaide RC Dequetteville S. Half-sister to Cotton Blossom (dam of **FRENCH COTTON**). Dam of 9 named foals, 8 to race, **4 winners**, inc:-

FLANDERS FIELDS (*f Estaminet (GB)*) **6 wins**—1 at 2—1000 to 1600m, SAJC Robert A Lee S., MVRC Nearco H., SAJC Esplanade H. Dam of 2 winners-
POTTER MCQUEEN (*c Godswalk (USA)*) **8 wins**—1 at 2—1100 to 1400m, \$170,305, AJC Shorts H., L, 2d VRC Hilton on the Park S., **Gr 3**. Sire.

Twiggle. Placed at 3, 3d STC Steyne Hotel H., Souters H. Dam of 6 winners-
COMPETITIVE SPIRIT (*c Iffrad (USA)*) **10 wins**—2 at 2—1200 to 1800m, \$182,830, WATC Fairetha S., L, WATC Beat Diabetes 2 S., **Gr 1**.

21 January 2013

Racing NSW
Level 7
51 Druitt Street
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.

2011 Bay Filly – CHOISIR / CARLTON SHOW

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. Our main stables are based at ROSEHILL and we 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 Tim Roberts as their contracted veterinarian. I am aware Dr Roberts 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,

Chris Waller
Racehorse Trainer

P O Box 3069
North Parramatta
NSW 1750

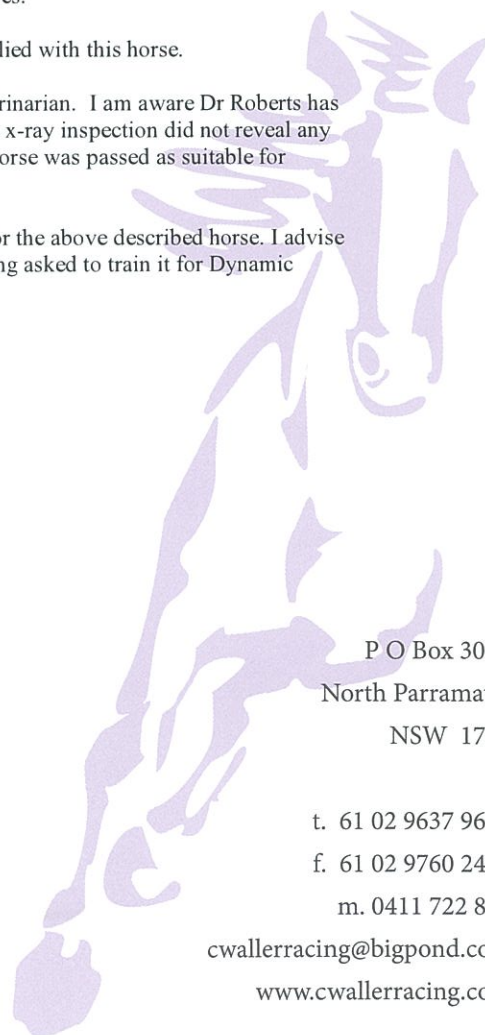
t. 61 02 9637 9652

f. 61 02 9760 2430

m. 0411 722 884

cwallerracing@bigpond.com

www.cwallerracing.com





Logan Livestock Insurance Agency Pty Ltd

ABN 81 001 826 204

www.logans.com.au

AFS Licence No. 238959

21 PARRAWEEEN 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

21/01/2013

Dynamic Syndications
PO Box 2324
Taren Point NSW 2229

MEMORANDUM OF INSURANCE

Policy No: L092621

Insured: Dean Watt Thoroughbreds Pty Ltd t/as Dynamic Syndications

Interest: Unnamed (Lot 172 ICYS)
2011 Bay Filly
Choisir/Carlton Show

Use: Rearing/Flatracing

Limit of Liability: Aud\$131,500 being 100%

Policy Period: January 20, 2013 to November 1, 2013

Coverage Summary: Mortality Insurance
Colic Surgery Cost Extension Clause not exceeding \$10,000
Australia & New Zealand Territorial Limits
12 Month Extension Caluse
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

The financial Services Guide and Insurance Policy will be 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 the 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 insurance policy.





24 January 2013

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

Dear Mr Wattt

**RE: Product Disclosure Statement for 2011 Bay Filly by CHOISIR from
CARLTON SHOW**

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:

- i) that all advertisements in respect of the scheme are submitted to Racing NSW for approval; and
- ii) that advertisements are NOT published until Racing NSW approval has been granted.**

Note advertisements include Print Media, SKY Channel/TVN, radio, website and all other advertisements.

Yours faithfully

**Clare Wilson
For Racing NSW**