

PRODUCT DISCLOSURE STATEMENT

(P. D. S.)

For the Sale of Shares in a Racehorse

Lead Regulator Approved

HORSE: UNNAMED THOROUGHBRED Brown Filly 4/11/2011

By : ENCOSTA DE LAGO

FROM : FUSAICHI ROSE by (Fusaichi Pegasus)

**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 **18 September 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	\$9,075.00 (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 BROWN FILLY FOALD 4/11/2011 BY ENCOSTA DE LAGO FROM FUSAICHI ROSE BY FUSAICHI PEGASUS** 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 **\$9,075.00** (inclusive of GST), calculated as follows:

Base Sale Price of Horse, excluding GST	\$100,000	
Total Syndicate Establishment Costs	\$64,537	
GST (rounded)	\$16,453	
Registration fees payable to Racing NSW	\$510	
Application Price per 5% Share payable upon application		\$9,075.00

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 111**, from vendor **COOLMORE STUD (As Agent)**, at the **2013 WILLIAM INGLIS AUSTRALIAN EASTER YEARLING SALE conducted by WILLIAM INGLIS & SONS LIMITED (ABN 75 000 011 307) at NEWMARKET COMPLEX RANDWICK, NSW, on 9, 10 and 11 April 2013**, for the purchase price of **\$100,000 + 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

18 September 2013

SCHEDULE

SHARE APPLICATION PRICE - CALCULATION SHEET

ENCOSTA DE LAGO / FUSAICHI ROSE Brown Filly 2011 - Lot 111 Inglis Easter

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

(A) Actual Cost - FALL OF HAMMER Price	\$ 100,000
(B) Costs Incurred in Acquisition of Horse	\$ 34,514
(C) Actual & Budgeted Forward Horse Husbandry Costs	\$ 12,188
(D) Syndicate Establishment, Promotion, Accounting & Legal	<u>\$ 17,835</u>
	\$ 164,537 +
(E) GST	<u>\$ 16,453</u>
	\$ 180,990 +
(F) Racing Authority Registration Fees \$510 (GST Exempt)	<u>\$ 510</u>
<u>TOTAL SYNDICATION VALUE</u> (including GST to 31/10/13)	<u>\$ 181,500</u>

(A) PURCHASE PRICE = \$100,000 + GST

Purchase Price:

\$100,000 + GST

Fall of Hammer Price in Sale Ring (+ GST)

(B) VARIOUS ACQUISITION COSTS = \$34,514 + GST

Dynamic Syndications Profit Margin On This Promotion

\$12,500 + GST

12.5% on the Fall Of Hammer Sale Price = \$100,000 x 12.5%

Veterinary Report for PDS

\$195 + GST

ASIC - PDS in-use Form 88

\$35 + GST

Insurance – 4 x Premiums:**\$11,731 + GST**

- (1) - Mortality cover from Fall of Hammer to 11/1/2014 on \$181,500 syndicated value
- (2) - Colic Cover
- (3) - Disability / Impairment Guarantee - Fall Of Hammer Price to Registration Date
- (4) - P. I. Cover
- (5) - Stamp Duty

5 x Race Series Eligibility Payments:**\$4,182 + GST**

- * Entry Fee Inglis Race Series – One off payment = \$2,000
- * Entry Fee BOBS 2-3YO Series – One off payment = \$900
- * Entry Fee BOBS Extra Series - 4YO + horses – One off payment = \$764
- * Golden Slipper & Golden Rose First eligibility payment \$318
- * Blue Diamond eligibility payment \$200

Acquisition Costs: (Inglis Australian Easter 2013)**\$5,871 + GST**

- * Veterinary work conducted at saleyard by Dr Tim Roberts in Selection Process includes: 46 Physical Inspections, 46 sets of X-Rays and 2 Endoscopic evaluations divided pro-rata across 2 yearlings purchased for syndication = \$2,921
- * Sales Expenses (7 Days x 3 Staff) incurred in attending sale i.e. 1 x Air Fare, Transport, 1 x Accommodation, Phone, Internet, Client Liaison, 1 x Living Expenses, etc, divided by the 2 yearlings purchased for syndication = \$1,990
- * Miscellaneous Costs = Professional Photographers, Pedigree Ratings Software Fee - Pro Rata across all yearlings purchased for syndication = \$960

(C) HORSE HUSBANDRY ACCOUNTS BUDGET TO 31/10/13 =***\$12,188 + GST*****Planning and Progression for the horse from 9/4/13 to 31/10/13**

Transport on 9/4/13 from Randwick Saleyards to Oakridge Spelling Farm NSW = \$170
Agistment from Date of Arrival at Oakridge 9 April – 30 April (23 Days) = \$805
1 May - Transport to educators to commence breaking-in process = \$180
Education process over 35 days (5 weeks) including stabling & agistment = \$2,900
Transport 5 June to Pre-Trainers Stables = \$210
18 days education in pre-trainers racing stables @ \$75 = \$1,350
Miscellaneous additional costs include Track Fees, Farrier Feet Trim and Shoes, Dentist, Parasite Drench = \$396
24 June Transport return to Oakridge Spelling Farm = \$170
6 days June Agistment at Oakridge Spelling Farm 6 days = \$210
Agistment 1 July – 31 July 31 Days at Oakridge Spelling Farm
+ Feet Trim and Drench = \$1,310
Miscellaneous additional costs include, Farrier Feet Trim and Shoes (\$165), Dentist (\$90), Parasite Drench (\$78) = \$396
Agistment 1 August – 31 August 31 Days at Oakridge Spelling Farm + Feet Trim and Drench = \$1,310

Agistment 1 September – 30 September 30 Days at Oakridge Spelling Farm + Dentist = \$1,136

Agistment 1 October – 31 October 31 Days at Oakridge Spelling Farm
+ Feet Trim and Shoes + Drench + Transport to Wild Oaks Pre-Training Facility \$170
= \$1,645

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

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

Auditors Annual 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) **\$ 16,453**

SUB-TOTAL OF COSTS ***\$180,990 +***

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

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

TOTAL PRICE TO: 31/10/13 ***\$181,500***

**10% Shares @ \$18,150 per share including
GST & All Costs to 31 October 2013**

**5% Shares @ \$9,075 per share including
GST & All Costs to 31 October 2013**

18 April 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 Brown Filly – ENCOSTA DE LAGO / FUSAICHI ROSE
Lot 111 Inglis Australian Easter Yearling Sale 2013

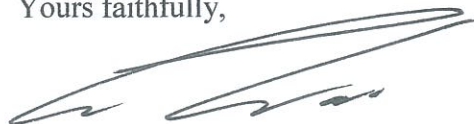
I have agreed to train the abovementioned horse in accordance with my standard terms of trade. These terms are available from my office upon request. Our main stables are based at ROSEHILL and we also have stables at FLEMINGTON. This horse during its racing career may transfer between stables should 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

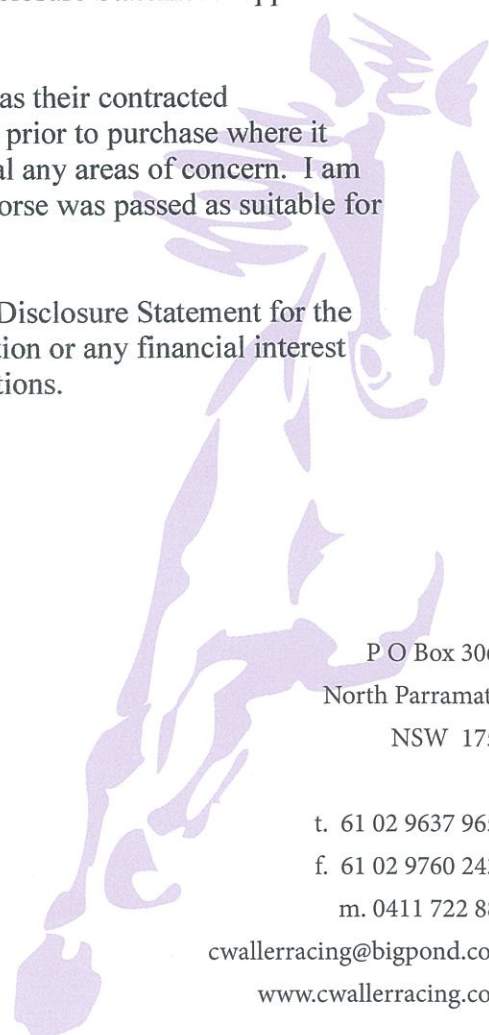
t. 61 02 9637 9652

f. 61 02 9760 2430

m. 0411 722 884

cwallerracing@bigpond.com

www.cwallerracing.com





Stable 3 Rows C, D & E
On Account of COOLMORE STUD, Jerry's Plains
(As Agent)

Lot 111

BROWN FILLY

(Branded **C** nr sh. ⁹⁰/₁ off sh. Foaled 4th November 2011)

(SIRE)	Fairy King (USA)	Northern Dancer	by Nearctic.....
ENCOSTA DE LAGO	Shoal Creek	Fairy Bridge.....	by Bold Reason.....
		Star Way (GB).....	by Star Appeal.....
		Rolls (USA).....	by Mr. Prospector
(DAM)	Fusaichi Pegasus (USA) ..	Mr. Prospector	by Raise a Native.....
FUSAICHI ROSE	Rose of Tralee	Angel Fever	by Danzig.....
2003		Sadler's Wells	by Northern Dancer
		Circus Ring (Ire).....	by High Top.....

ENCOSTA DE LAGO (AUS) (Bay 1993-Stud 1997). 3 wins, VATC VicHealth Cup, Gr.1. Champion Aust. Sire twice. Sire of 1305 mrs, 887 wms, 93 SW, inc. Princess Coup (Hawke's Bay Kelt Capital S., Gr.1), Lashed, Sirmione, Racing to Win, Alinghi, Sacred Kingdom, Mnemosyne, Delago Deluxe, Road to Rock, Titanic Jack, Aloha, Newport, Delago Brom, Manhattan Rain, Northern Meteor, Apercu, Quay Lago - Ultra Fantasy (H.K.), Shadoways, Douro Valley, etc.

1st Dam

FUSAICHI ROSE, by Fusaichi Pegasus (USA). Winner at 1600m. Half-sister to **SERENADE ROSE**. This is her fourth foal. Her third foal is a 2YO. Dam of 2 foals to race, **both winners**-

Main Dane (g by Fastnet Rock) 4 wins at 1600, 2000m to 2012-13, Vaal Charity Will Win Big H., Rugby 5 H., Turffontein Racing Association H., 2d Turffontein Nijinsky Derby Trial, **L**, 3d Turffontein Drakenstein Stud H. Sekiguchi (c by Encosta de Lago) **Winner** at 1700m in 2012-13.

2nd Dam

ROSE OF TRALEE, by Sadler's Wells. 4 wins 1800 to 2800m, STC BCC P.H., 3d QTC St Leger, AJC Picton H. Half-sister to **ELLIE ARDENSKY, LADY SHIPLEY**, Finger of Light (dam of **FAR HOPE**), Circus Act (dam of **BRAVE ACT, JELLABY ASKHIR**). Dam of 8 foals, all raced, **6 winners**, inc:-

SERENADE ROSE (f Stravinsky (USA)) Champion 3YO filly in Australia in 2006. 8 wins 1420 to 2500m, \$1,773,635, VRC Oaks, **Gr 1**, AJC Australian Oaks, **Gr 1**, STC Arrowfield Stud S., **Gr 1**, VRC Wakeful S., **Gr 2**, Edward Manifold S., **Gr 2**, MRC Angus Armanasco S., **Gr 2**, VRC Watton H., 2d VRC AV Kewney S., **Gr 2**, MRC Manfred S., **L**, April 2YO H., 3d MRC Thousand Guineas, **Gr 1**, VRC Turnbull S., **Gr 1**. Producer.

Irish Rhapsody. **5 wins** 1520 to 2400m, \$105,260, to 2011-12, SAJC Boag's H., Woodpend Projects H., Brad's 40th Birthday H.

3rd Dam

CIRCUS RING (IRE), by High Top. Joint top filly on The 1981 European 2YO Classification. 3 wins at 2 at 6f, York Lowther S., **Gr 2**, Ascot Princess Margaret S., **L**. Half-sister to Broken Voice (dam of **SIGNAL TO NOISE**). Dam of 13 foals, 10 to race, **7 winners**, inc:-

LADY SHIPLEY (f Shirley Heights) 2 wins-1 at 2, Goodwood Lupe S., **L**.

ELLIE ARDENSKY (f Slip Anchor) 2 wins to 1¼m, Salisbury Upavon S., **L**.

Finger of Light. **Winner** at 2 at 6f in Great Britain. Dam of 5 winners-

FAR HOPE (f Baratheia (Ire)) 5 wins-4 at 2-1000 to 1400m, Milan Premio Vittorio Crespi, **L**, Premio Capoliveri, Premio Valcava. Dam of 2 winners-

VOILA ICI (c Daylami) 13 wins-1 at 2-1800 to 2800m, \$1,547,025, Gran Premio di Milano, **Gr 1**, Rome Premio Roma, **Gr 1**.

Danemarque. Started 3 times. Grandam of-

LEITIR MOR (c Holy Roman Emperor) Winner at 2 at 6½f, £152,275, in 2012, Curragh Round Tower S., **Gr 3**, 2d Newmarket Dewhurst S., **Gr 1**.

Circus Act. Unraced. Dam of 5 winners-

BRAVE ACT (c Persian Bold) 13 wins-3 at 2, Hollywood Citation H., **Gr 2**.

Comic. **2 wins** at 1¼m, 11½f in Great Britain. Dam of 4 winners-

COMIC STRIP - VIVA PATACA (H.K.) (g Marju (Ire)) Horse of the Year in Hong Kong in 2009. 18 wins-5 at 2-1200 to 2400m, HKJC Queen Elizabeth II Cup, **Gr 1**-twice, Hong Kong Gold Cup, **HK-1**.



HYPOTHETICAL: =Encosta de Lago (AUS) -- =Fusaichi Rose (AUS)

Based on the cross of Encosta de Lago (AUS)/Fusaichi Pegasus

A++

Variant = 15.46

Hypothetical Foal	=Encosta de Lago (AUS), 93 b	Fairy King, 82 b	Northern Dancer, 61 b	Nearctic, 54 br	=Nearco (ITY), 35 br
				Natalma, 57 b	*Lady Angela, 44 ch
			Fairy Bridge, 75 b	Bold Reason, 68 b	Native Dancer, 50 gr
				Special, 69 b	Almahmoud, 47 ch
					Hail to Reason, 58 br
					Lalun, 52 b
		=Shoal Creek (AUS), 88 ch	=Star Way (GB), 77 ch	*Star Appeal, 70 b	=Appiani II (ITY), 63 b
				=New Way (GB), 70 ch	=Sterna (GER), 60 br
			Rolls, 84 ch	Mr. Prospector, 70 b	*Klairon, 52 b
					=New Move (GB), 58 dk b/
	Grand Luxe, 74 ch			Raise a Native, 61 ch	
				Gold Digger, 62 b	
				Sir Ivor, 65 b	
				Fanfreliche, 67 b	
	=Fusaichi Rose (AUS), 03 b/br		Fusaichi Pegasus, 97 b	Mr. Prospector, 70 b	Native Dancer, 50 gr
					Raise You, 46 ch
		Angel Fever, 90 b		Gold Digger, 62 b	Nashua, 52 b
				Danzig, 77 b	Sequence, 46 dk b
				Rowdy Angel, 79 b	Northern Dancer, 61 b
					Pas de Nom, 68 dk b/
Sadler's Wells, 81 b		Halo, 69 dk b/			
		Rowdy Angel, 79 b	Ramhyde, 72 dk b/		
		=Rose of Tralee (AUS), 95 b	Northern Dancer, 61 b	Nearctic, 54 br	
				Natalma, 57 b	
Fairy Bridge, 75 b	Bold Reason, 68 b				
	Special, 69 b				
=Circus Ring (IRE), 79 b	=High Top (IRE), 69 b	=Derring-Do (GB), 61 b			
	=Bell Song (GB), 66 br	=Camenae (GB), 61 b			
		*Tudor Melody, 56 br			
			=Campanette (GB), 48 b		

Note on terminology in this report: **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 converted to U.S. dollars at time of race or sale.

Dosage Profile: 8 1 11 2 0
Dosage Index: 1.93
Center of Distribution: +0.68

Inbreeding: Northern Dancer: 3S X 4D X 5D
Fairy Bridge: 3S X 4D
Nearctic: 4S X 5D
Natalma: 4S X 5D
Bold Reason: 4S X 5D
Special: 4S X 5D
Mr. Prospector: 4S X 3D
Native Dancer: 5S X 5D
Raise a Native: 5S X 4D
Gold Digger: 5S X 4D

Pedigree and racing information provided by:



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HYPOTHETICAL: =Encosta de Lago (AUS) -- =Fusaichi Rose (AUS)

Based on the cross of Encosta de Lago (AUS)/Fusaichi Pegasus

A++

Variant = 15.46

Starters Considered in Rated Cross	
Direct Sire/ Broodmare Sire Cross	11
Additional Starters on Rated Cross	-
Total Starters	11

Auction Results - All Foals on Direct Sire/Broodmare Sire Cross			
Type	#Sold	Avg	Med
Weanlings	-	-	-
Yearlings	13	\$212,746	\$175,600
2YOs	-	-	-

Surface Performance for Rated Cross			
Type	Dirt	Turf	AW
Starters	-	11	-
Winners	-	5	-
SW	-	2	-

Sire	
Sire Name	=Encosta de Lago (AUS)
Sire AEI	2.11
Progeny AWD	7.42 f
Chief Earner	Jumbo Star (AUS) (\$6,621,426)

Broodmare Sire	
Broodmare Sire Name	Fusaichi Pegasus
Broodmare Sire AEI	1.04
Progeny AWD as BM Sire	7.06 f
Chief Earner	Free Judgement (\$830,201)

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	19	8	11	1,877	858
Starters (% Foals of Racing Age)	11 (58%)	4 (50%)	7 (64%)	1,366 (73%)	473 (55%)
Winners (% Starters)	5 (45%)	4 (100%)	1 (14%)	922 (67%)	261 (55%)
SW (% Starters)	2 (18%)	2 (50%)	-	93 (7%)	13 (3%)
Earnings	\$723,558	\$642,700	\$80,858	\$104,857,599	\$15,281,961
Avg Distance Raced	6.87 f	6.92 f	6.81 f	7.51 f	7.24 f
Avg Winning Distance	7.25 f	6.99 f	8.28 f	7.42 f	7.06 f

Top 15 Foals Bred on Rated Cross				
Name	Sex	Foaled	Sire/Broodmare Sire	Best Race
NIAGARA (AUS)	Horse	2008	Encosta de Lago (AUS)/Fusaichi Pegasus	G2SW
AERONAUTICAL (AUS)	Gelding	2008	Encosta de Lago (AUS)/Fusaichi Pegasus	SW
Kyria (AUS)	Filly	2009	Encosta de Lago (AUS)/Fusaichi Pegasus	G2SP
Wailea Bay (AUS)	Gelding	2008	Encosta de Lago (AUS)/Fusaichi Pegasus	Wnr
Apple Martini (AUS)	Mare	2008	Encosta de Lago (AUS)/Fusaichi Pegasus	Wnr
Sekiguchi (AUS)	Gelding	2009	Encosta de Lago (AUS)/Fusaichi Pegasus	Wnr
Blue Palace (AUS)	Filly	2010	Encosta de Lago (AUS)/Fusaichi Pegasus	PI
Phocis (AUS)	Mare	2008	Encosta de Lago (AUS)/Fusaichi Pegasus	PI
Blue Carlou (AUS)	Filly	2009	Encosta de Lago (AUS)/Fusaichi Pegasus	Rnr
Enchanted Melody (AUS)	Mare	2007	Encosta de Lago (AUS)/Fusaichi Pegasus	Rnr
Moon Lake (AUS)	Mare	2007	Encosta de Lago (AUS)/Fusaichi Pegasus	Rnr
Encore Serenade (AUS)	Gelding	2010	Encosta de Lago (AUS)/Fusaichi Pegasus	Unr
Miss Iguacu (AUS)	Filly	2009	Encosta de Lago (AUS)/Fusaichi Pegasus	Unr
Sacsayhuaman (AUS)	Mare	2007	Encosta de Lago (AUS)/Fusaichi Pegasus	Unr
Unnamed	Colt	2010	Encosta de Lago (AUS)/Fusaichi Pegasus	Unr

Pedigree and racing information provided by:



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WERK NICK RATING™ **A++** (+10186%)
 (based on the ENCOSTA DE LAGO - FUSAICHI PEGASUS cross)



INGEAS13

Generated on 03/20/13

		NEARCTIC (Q)	NEARCO
		NORTHERN DANCER (B/C)	LADY ANGELA
		NATALMA	NATIVE DANCER
2	FAIRY KING (Q)	BOLD REASON	ALMAHMOUD
	FAIRY BRIDGE	HAIL TO REASON	LALUN
	SPECIAL	FORLI	THONG
ENCOSTA DE LAGO	STAR APPEAL	APPIANI II	STERNA
(93)	STAR WAY (Q)	KLAIRON	NEW MOVE
	NEW WAY	RAISE A NATIVE	GOLD DIGGER
SHOAL CREEK	MR. PROSPECTOR (B/C)	SIR IVOR	FANFRELUCHE
	ROLLS	GRAND LUXE	
	RAISE A NATIVE (B)	NATIVE DANCER	RAISE YOU
	MR. PROSPECTOR (B/C)	NASHUA	SEQUENCE
	GOLD DIGGER	NORTHERN DANCER	PAS DE NOM
FUSAICHI PEGASUS	DANZIG (I/C)	HALO	RAMHYDE
	ANGEL FEVER	NEARCTIC	NATALMA
	ROWDY ANGEL	BOLD REASON	SPECIAL
FUSAICHI ROSE	NORTHERN DANCER (B/C)	DERRING-DO	CAMENAE
(2003)	2 SADLER'S WELLS (C/S)	TUDOR MELODY	CAMPANETTE
	FAIRY BRIDGE		
ROSE OF TRALEE (IRE)	HIGH TOP (C)		
	CIRCUS RING		
	BELL SONG		

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

Roman Dosage Profile: (8-1-11-2-0)

D.I.: 1.93 C.D.: 0.68

Werk Quality Rating: Q 7

Dosage Points: 22 + Quality Points: 14 = Total Points: 36

Best of Sale

5-Generation Inbreeding:

NORTHERN DANCER - 3m x 4m, 5m
 MR. PROSPECTOR - 4f x 3m
 FAIRY BRIDGE - 3m x 4m
 NATIVE DANCER - 5f x 5m

ENCOSTA DE LAGO

Stands at COOLMORE STUD, IRE for a fee of Pvt

Stakes Winners from the ENCOSTA DE LAGO--FUSAICHI PEGASUS cross

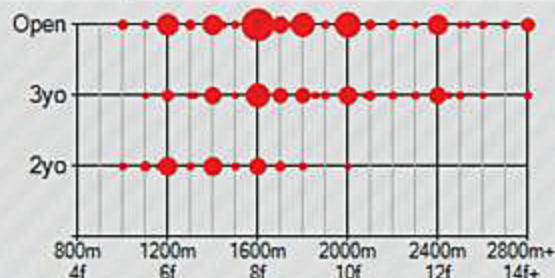
Stakes Winner	Yob	Sex	Best	Dirt	AWS	Turf	Pedigree
NIAGARA	2008	C	G2			Y	ENCOSTA DE LAGO--RIVER SONG (FUSAICHI PEGASUS)
AERONAUTICAL	2008	G				Y	ENCOSTA DE LAGO--MOON FEVER (FUSAICHI PEGASUS)

Graded Stakeswinners with same pattern

	Horse Name	G1	G2	G3	E	CSI
View	NIAGARA	0	1	0	46	24
View	SERENADE ROSE	3	3	0	10	23
View	FASLIYEV	2	0	1	0	21
View	LOOK HONEY	0	1	0	0	21
View	CARNIVAL DANCER	0	0	3	0	21
View	NEW FRONTIER	0	0	2	0	21
View	LIL'S BOY	0	0	1	0	18
View	JOHANN QUATZ	1	1	0	10	17
View	CARRY ON KATIE	1	1	0	21	17
View	FANTASIA	0	0	3	3	17
View	PRECIOUS GEM	0	0	1	3	17
View	GERI	2	1	2	10	16
View	PAS DE REPONSE	1	0	2	3	16
View	DIDYME	0	1	0	3	16
View	SUTEKI SHINSUKEKUN	0	0	2	3	16

12345678910...

Aptitude Profile



The Aptitude Profile shows the Age and Distance range of Stakeswinners bred with this pattern. The larger the Red Dot, the more winners in that category. Place your mouse over a Red Dot to see a list of horses that won in that category.

What is Stallion Match?

Stallion Match

This is a 20/20 Mating

A 20/20 mating occurs when a pattern has two or more Graded Stakes Winners with CSI values above 20. This indicates that this pedigree is exceptional as there are at least two superior horses with a very similar pattern.



Contact me about this 20/20 Mating

Hypo-Mating Pedigree

Start Search

Contact me about this Mating

Select Stallion

ENCOSTA DE LAGO



COOLMORE

FUSAICHI PEGASUS

Enter Dam

FUSAICHI ROSE

ROSE OF TRALEE

NEARCTIC	NEARCTIC
NORTHERN DANCER	LADY A
NATALMA	NATIVE
FAIRY KING	ALMAH
BOLD REASON	HAIL T
FAIRY BRIDGE	LALUN
SPECIAL	FORLI
STAR VVAY	THONG
STAR APPEAL	APPIANI
NEVV VVAY	STERN
MR. PROSPECTOR	KLAIRON
ROLLS	NEVV MOVE
GRAND LUXE	RAISE A NATIVE
RAISE A NATIVE	GOLD DIGGER
MR. PROSPECTOR	SIR IVOR
GOLD DIGGER	FANFRELUCHE
DANZIG	NATIVE DANCER
ROV/DY ANGEL	RAISE YOU
NORTHERN DANCER	NASHUA
SADLER'S WELLS	SEQUENCE
FAIRY BRIDGE	NORTHERN DANCER
HIGH TOP	PAS DE NOM
BELL SONG	HALO
	RAMHYDE
	NEARCTIC
	NATALMA
	BOLD REASON
	SPECIAL
	DERRING-DO
	CAMENAE
	TUDOR MELODY
	CAMPANETTE

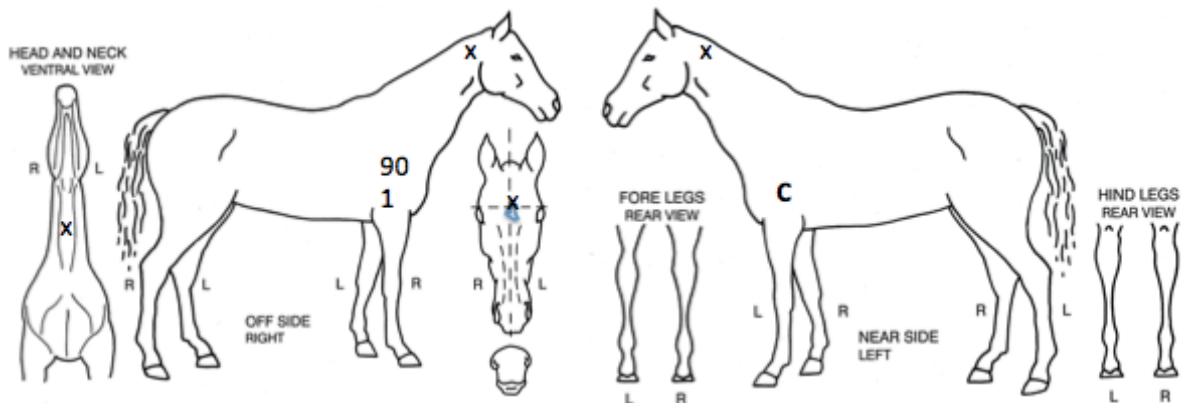
CENTENNIAL PARK VETERINARY PRACTICE



A.B.N. 91 072 794 944

VETERINARY EXAMINATION FOR DYNAMIC SYNDICATIONS

At the request of Dynamic Syndications our practices attending veterinarian Dr. Ramiro Pellegrini MV re-examined the **ENCOSTA DE LAGO ex FUSAICHI ROSE brown 2yo filly**, brands C nr sh. 90 over 1 off sh., (Microchip: 985100010980173), to assess its continued suitability for public syndication. The purpose of the re-examination request was for the promoter to comply with regulatory requirements and supply a current veterinary certificate for inclusion with their PDS to Racing NSW.



I had previously inspected this horse on behalf of Dynamic Syndications at the William Inglis Australian Easter Yearling Sales on the 8th April 2013 where a detailed inspection including a full set of x-rays were read and post sale endoscopic evaluation was performed and I advised my client the horse was in my opinion suitable for purchase.

Clinical Examination:

The re-examination performed by Dr. Pellegrini was a general health check which included temperature, pulse, respiration, thoracic auscultation as well as an ophthalmological examination for eye sight, mucous membrane, colour and musculature symmetry and basic conformation, where no abnormalities were found.

There was no lameness at the walk and trot in hand. No response to hoof testers was found. On palpation and manipulation of the distal limbs including major joints, no abnormalities were found. The filly had a quiet temperament

Ophthalmologic Examination:

Ophthalmoscopic and clinical examination revealed no abnormalities.

Auscultation of Thorax:

The horse has a normal and regular heart rhythm at rest. The horse has normal lung sounds and normal respiratory rate at rest.

No radiographs, blood tests, drug sampling, ECG or upper respiratory endoscope were performed.

In our opinion the filly remains a quality individual, athletic and free moving. She is well conformed and well balanced. For her foal date of 4 November 2011, she is well grown and strong. The filly is still immature and will develop further. All clinical parameters were found to be within normal limits.

Conclusion:

In our opinion, on the **18th September 2013** at the time of this re-examination, the **ENCOSTA DE LAGO ex PRETTY FLAMINGO brown 2yo filly** is in so far as can be determined from the examination conducted, presents in good health and has passed the clinical examination and therefore remains suitable for all risk mortality insurance cover and is suitable for racing and public syndication.

Yours faithfully,



Dr. T.M.B. Roberts BVSc. MRCVS
19 September 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.

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 111, ENCOSTA DE LAGO ex FUSAICHI ROSE Brown Yearling Filly**, brands as described in the 2013 William Inglis Australian Easter Yearling Sale Catalogue, was carried out at the Newmarket Sales Complex Randwick, NSW, on the 8th April 2013, prior to the commencement of the Inglis Australian Easter Yearling Sale.

Clinical Examination:

A well presented individual with good conformation. 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 bred to be a middle distance athlete as a 3yo and older horse. She is therefore still immature and will develop further. When fully mature, she is expected to reach an above average height of approximately 15.3 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 within normal limits and no radiographic findings of any significance were noted.

Endoscopic Examination:

Post sale the upper respiratory tract was examined endoscopically by Randwick Equine Centre and they found the larynx and pharynx to be normal in appearance and function.

Conclusion:

In my opinion, at the time of this examination, **Lot 111, ENCOSTA DE LAGO ex FUSAICHI ROSE Brown 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
12 April 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.



Logan Livestock Insurance Agency Pty Ltd

ABN 81 001 826 204

www.logans.com.au

AFS Licence No. 238959

21 PARRAWHEN 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

18/09/2013

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 111 EYS)
2011 Brown Filly
Encosta De Lago/Fusaichi Rose

Use: Flatracing

Limit of Liability: Aud\$181,500

Period: September 18th, 2013 to 4.00pm January 11th, 2014

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

The Financial Services Guide and Insurance Policy are held by the Syndicator, the syndicate manager and/or arranger of the insurance. They are available from the syndicator 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.





Logan Livestock Insurance Agency Pty Ltd

ABN 81 001 826 204

www.logans.com.au

APF Licence No. 238959

21 FARRAWHEN 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

17/04/2013

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 111 EYS)
2011 Brown Filly
Encosta de Lago/Fusaichi

Use: Rearing/Flatracing

Limit of Liability: Aud\$177,000 being 100%

Policy Period: April 9, 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 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



The financial Services Guide and Insurance Policy will be held by the syndicate manager and/or arranger of the insurance. They are available from 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.

DYNAMIC SYNDICATIONS RACING SYNDICATE

SHARE APPLICATION FORM

Subscriber – 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:		

[Please complete the above table as the information is required by the Registrar of Racehorses when registering ownership].

ACKNOWLEDGMENTS

I acknowledge having received and examined the following documentation from *DEAN WATT THOROUGHBREDS PTY LTD (ABN 64 134 481 539)(T/AS DYNAMIC SYNDICATIONS)(AFSL 336808)* ("the Promoter"):

- (a)
 - (i) *Financial Services Guide ("FSG")*;
 - (ii) *Product Disclosure Statement ("PDS")* relating to the offering of Shares in the **UNNAMED THOROUGHBRED BROWN FILLY FOALD 4/11/2011 BY ENCOSTA DE LAGO FROM FUSAICHI ROSE (by Fusaichi Pegasus) ("the Horse")** and
 - (iii) *Share Application Form*.
- (b) I have relied on 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 relating to my acquisition of a Share or Shares in the Horse. I further acknowledge and declare that I have not received any advice either from the Promoter or any representative of the Promoter other than that detailed in the FSG and the PDS.
- (c) I agree to be bound by the terms and conditions of the Syndicate Deed, the terms of which I am fully familiar.
- (d) I acknowledge that the Promoter reserves the right to decline any application or part of any application at their 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 total amount payable per Share upon application is **\$9,075.00** ("the Application Price").

- (f) Furthermore, I hereby acknowledge and confirm that I authorise the Syndicate Manager to sign on my behalf and lodge with the Registrar of Racehorses and/or Lead Regulator any application for registration and/or transfer of ownership (including a transfer of ownership of my interest in the event that I am in default and fail to remedy that default) relating to the Horse during the life of the Syndicate (as per clause 2.8 of the Syndicate Deed).

APPLICATION FOR SHARES

I apply for _____ Share(s) in this **20 Share** Syndicate at the Application Price per share of **\$9,075.00**.

Attached is a cheque for \$ _____ **\$9,075.00** 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, 2324.**

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. Joint Applicants must state whether they wish to purchase 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 owners of any share to register their own Syndicate with the Lead Regulator in accordance with the Rules of Racing and to own such 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 a revocation of that power and undertakes to produce the Power of Attorney (or a certified copy of it) if requested.

A Company must execute in accordance with the provisions of Section 127 of the Corporations Act.

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 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.

PRIVACY and PERSONAL INFORMATION:

The personal information collected on this form which is required to complete your application includes your name, birth date, address, contact details, email, mobile GST status, and bank account details. This information is required to:

- identify you
- assess your eligibility as an owner

- facilitate the administration of racing
- communicate with you
- enable payment of prize money

Where information is not provided your application may be refused or delayed until the required information is provided.

How your Personal Information is used :

The information collected about you will be shared with the PRA in each state and territory of Australia in order to:

- enable PRA's to fulfill their regulatory responsibilities
- promote and protect the integrity of the sport to ensure compliance with the Rules of Racing
- communicate with you

Personal information may be disclosed to third parties such as government enforcement agencies, appeal bodies, race clubs, the Australian Stud Book, wagering service providers and international racing bodies or other authorities as required, but only for one or more of the purposes described above or if RISA believes that the disclosure is reasonably necessary for law enforcement either by or on behalf of an enforcement body or the disclosure is authorised or required by law.

Names of horse owners are publicly available on certain websites and may also appear in race field lists, race books, form guides and similar publications where appropriate.

For further information about privacy, visit each PRA's website or www.risa.com.au for the RISA Privacy Policy.

Access to Information :

You can access and request changes to the information held about you by contacting the Registrar of Racehorses or relevant PRA.

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

Signature of witness _____

Name of Witness _____

Address of Witness _____

Dated _____