

# **PRODUCT DISCLOSURE STATEMENT**

**(P. D. S.)**

**for the Sale of Shares in a Racehorse**

**Lead Regulator Approved**

***HORSE: UNNAMED THOROUGHBRED Bay Colt foaled 23/10/2008***

***By : SNITZEL***

***FROM : FATINA (NZ) (by Rory's Jester)***

**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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## Contents

Section	
1.	<u>Preparation and purpose</u> .....
2.	<u>Jurisdiction</u> .....
3.	<u>Disclosure</u> .....
4.	<u>Cooling-off</u> .....
5.	<u>Statatement to prospective investors as to the commercial merits of the proposal and recommendation regarding the seeking of advice</u> .....
6.	<u>Disclaimer</u> .....
7.	<u>Key features of Syndicate</u> .....
8.	<u>Promoter</u> .....
9.	<u>Issue</u> .....
10.	<u>Application Price</u> .....
11.	<u>How to invest</u> .....
12.	<u>Title</u> .....
13.	<u>Syndicate Manager</u> .....
14.	<u>Racing Manager</u> .....
15.	<u>Trainer</u> .....
16.	<u>Veterinary Report</u> .....
17.	<u>Assessment of value</u> .....
18.	<u>Insurance</u> .....
19.	<u>Interests of the Promoter, the Offeror, the Syndicate Manager, the Racing Manager, their directors and experts</u> .....
20.	<u>Summary of rights and liabilities attaching to Shares in the Syndicate and other relevant information</u> .....
21.	<u>Maketability of Shares</u> .....
22.	<u>Warning</u> .....
23.	<u>Risk</u> .....
<u>Annexures</u>	
1.	<u>Lead Regulator approval of PDS</u> .....
2.	<u>Pedigree</u> .....
3.	<u>Application Price Calcualtion Sheet</u> .....
4.	<u>Letter of consent to act as Trainer</u> .....
5.	<u>Veterinary Certificate</u> .....
6.	<u>Particulars of Insurance</u> .....
7.	<u>Syndicate Deed</u> .....
8.	<u>Application Form</u> .....

## **PRODUCT DISCLOSURE STATEMENT**

### **1. Preparation and purpose**

This *Product Disclosure Statement* ("PDS") is dated 15 July 2010. 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 15<sup>th</sup> 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 (5<sup>th</sup>) day following the day upon which notification of acceptance of applications is forwarded to those applicants whose applications for Shares have been accepted ("the Cooling-off commencement date") and will expire at the end of the fourteenth (14<sup>th</sup>) day thereafter ("the Cooling-off expiration date"). An applicant who 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:

<b>Share holdings</b>	
Application Price per Share	\$21,950.00 (including GST) For further details see Section 10
Total number of Shares	Ten (10)
Minimum Investment	One (1) Share
Additional Investment	Not applicable
<b>Distributions</b>	
Frequency of net income distribution	Directly via the Lead Regulator's Stakes payment system when Prize money 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
<b>Fees</b>	
Entry fee	Nil
Exit fee (on termination of Syndicate)	Nil
Fee payable to Syndicate Manager by each by Owner	\$792 including GST per Share per annum payable by each Owner 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"><li>• A fee equivalent to the value of 2% of Prizemoney for wins (and placings 1<sup>st</sup> to 5<sup>th</sup> 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</li></ul>

	Shares in the Horse subject to this PDS. <ul style="list-style-type: none"> <li>• 5% of sale price of Horse</li> <li>• 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</li> </ul>
Other fees – Horse expenses	\$3,500 including GST per Share per annum, which equates to \$291.67 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
<b>Investments</b>	
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 25 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 Colt FOALED 23/10/2008 BY SNITZEL FROM FATINA (NZ) BY RORY'S JESTER* 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 Ten (10) 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 Share of \$21,950.00 (inclusive of GST), calculated as follows:

Base Sale Price of Horse, excluding GST	\$135,000	
Total Syndicate Establishment Costs	\$64,273	
GST (rounded)	\$19,927	
Registration fees payable to Racing NSW	\$300	
Application Price per Share payable upon application		\$21,950

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 206*, from vendor *GLENLOGAN PARK*), at the *2010 MAGIC MILLIONS QTIS 600 Yearling Sale* conducted by *Magic millions Sales Pty Limited (ABN 54 078 396 317)* at *28 Ascot Court Bundall, Queensland*, from *21 to 22 March 2010*, for the purchase price of *\$135,000 + GST* ("purchase price"). The Offeror will receive unencumbered title to the Horse upon payment of the purchase price to *Magic Millions Sales Pty Limited*.

Within seven (7) days of the Offeror paying the purchase price to *Magic Millions Sales Pty Limited*, the Promoter will compile a register of Owners of the Shares numbered consecutively -1- to -10 - 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 \$6.75 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 1<sup>st</sup> to 5<sup>th</sup> in Group and listed races) where Prize money (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 Prize money, 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.

#### **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**

GERALD RYAN will train the Horse from his ROSEHILL and also from his MURWILLUMBAH, NSW stables (when applicable), as the first appointee of the Syndicate Manager as Trainer, in accordance with the provisions of *clause 6.2* of the *Syndicate Deed*.

Mr Ryan has agreed to train the Horse.

#### **16. Veterinary Report**

DR SUSANNAH THOMPSON HAWKE (ABN 80 365 224 945) BVSc, MACVSc., MRCVS, *Veterinary Surgeon* ("Dr Thompson Hawke") has provided an initial veterinary report as to the suitability of the Horse for purchase and syndication.

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

DR ANDREW ARGYLE BVSc, (PRET) has provided a current veterinary report as to the suitability of the Horse for purchase and syndication.

Dr Argyle 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, 2010, 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 RYANI* 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 RYAN* may train other Horses syndicated and/or managed by the Promoter, Syndicate Manager and/or Racing Manager.
4. *Dr THOMPSON HAWKE & Dr ARGYLE* 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 THOMPSON HAWKE & Dr ARGYLE* 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 Prize money (gross Prize money 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, in accordance with the provisions of *Clauses 3 and 13* of the *Syndicate Deed*.

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	Total per Share per annum	Total per Share per month
Fee payable to Syndicate Manager	\$ 7,920	\$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	\$3,500	\$291.67* (indicative only and subject to significant variation from month to month)
<b>Total</b>	<b>\$42,920</b>	<b>\$4,292</b>	<b>\$357.67</b>

- (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) 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.

A handwritten signature in black ink, appearing to read 'D Watt', is positioned above a dashed line.

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*DEAN WARREN WATT*

# APPLICATION PRICE CALCULATION SHEET

SNITZEL / FATINA Bay Colt 2008

Magic Millions 2010 QTIS 600 Yearling Sale - Lot 206

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

(A) Purchase Price (Actual Cost) - FALL OF HAMMER	\$135,000
(B) Dynamic Syndications 10% Earnings on Promotion	\$ 13,500
(C) Costs Incurred in Acquisition of Horse	\$ 3,098
(D) Insurance Premiums & Upfront Race Series Nominations	\$ 17,312
(E) Actual & Budgeted Forward Horse Husbandry Costs (to 30/9)	\$ 14,204
(F) Syndicate Establishment & Promotion	<u>\$ 16,159</u>
	\$199,273 +
(G) GST	<u>\$ 19,927</u>
	\$219,200 +
(H) Racing NSW Registration Fees \$300 (GST Exempt)	<u>\$ 300</u>
<b><u>TOTAL SYNDICATION VALUE</u></b> (including GST to 30/9/10)	<b><u>\$219,500</u></b>

## COSTINGS SHEET BREAKDOWN

(A) **PURCHASE PRICE**

= \$135,000 ( + GST)

**Purchase Price:**

\$135,000 + GST

Fall of Hammer Price in Sale Ring (+ GST)

(B) **DYNAMIC SYNDICATIONS EARNINGS ON THIS PROMOTION**

= \$13,500 + GST

**Dynamic Syndications Margin on Sale Price**

\$13,500 + GST

Yearling Sale Price - \$135,000 x 10%

**(C) VARIOUS ACQUISITION COSTS**  
**= \$3,098 + GST**

**Acquisition Costs: \$3,098 + GST**

- \* Veterinary work conducted at saleyard by Dr Thompson Hawke in Selection Process includes: 12 x Physical Inspections, X-Rays and one post sale Endoscopic evaluation divided pro-rata across yearling inspected for purchase for syndication = \$1,565.
- \* Sales Expenses incurred in attending sale i.e. 3 days x Air Fare, Transport, Phone, Accommodation, Client Liaison, Living Expenses, etc, divided by yearling purchased for syndication = \$793
- \* Miscellaneous Costs = Professional Photographers, Pedigree Ratings Software Fee - Pro Rata across all yearlings inspected for syndication = \$740

**(D) INSURANCE PREMIUMS & RACE SERIES NOMINATIONS**  
**= \$17,312 + GST**

**4 x Race Series Eligibility Payments: \$3,918 + GST**

- \* Entry Fee Magic Millions Race Series – One off payment = \$2,700
- \* Entry Fee QTIS 600 Race Series – One off payment = \$300
- \* Entry Fee BOBS 2YO - 3YO Series – One off payment = \$600
- \* Golden Slipper / Golden Rose eligibility payment \$318

**Insurance – 4 x Premiums: \$13,394 + GST**

- (1) - Mortality cover from Fall of Hammer to 1/11/2010 on \$219,500 syndicated value
- (2) - Colic Cover
- (3) - Disability / Impairment Guarantee - Fall Of Hammer Price to Registration Date
- (4) - P. I. Cover:

**(E) HORSE HUSBANDRY ACCOUNTS BUDGET TO 30/06/10 (6 Months)**  
**= \$14,204 + GST**

**Planning and Progression for the horse from 9/4/10 to 30/6/10 = \$6,651 + GST**

- Transport 22/3/10 from Sales Complex to Oakridge Spelling Farm NSW = \$660
- Agistment from Date of Arrival at Oakridge to 23/3 – 14 days = \$561
- Transport to educators to commence breaking-in process = \$160
- Education process over 35 days (5 weeks) including stabling / Agistment = \$2,900
- Transport 31/5/10 to Warwick Farm Pre-Trainers Stables = \$210
- 14 days education in racing stables at Warwick Farm @ \$75 = \$1,050
- Miscellaneous additional costs at Warwick Farm include Track Fees (\$39), Farrier Feet Trim and Shoes (\$165), Dentist (\$90), Parasite Drench (\$78) = \$372
- Transport return to Oakridge Spelling Farm = \$210
- June Agistment at Oakridge Spelling Farm 16 days = \$528

**Planning and Progression 1/7/10 to 30/9/10 = \$7,553 + GST**

July Agistment 12 days at Oakridge Spelling Farm = \$396  
Transport to Warwick Farm Pre-Trainers Stables = \$210  
21 days re-education in racing stables at Warwick Farm @ \$75 = \$1,575  
Miscellaneous additional costs at Warwick Farm include Track Fees (\$39), Farrier Feet Trim and Shoes (\$165), Dentist (\$90), Parasite Drench (\$78) = \$372  
2 August Transport to Oakridge Spelling Farm = \$210  
2 August to 23 August Agistment at Oakridge = \$693  
23/8/10 Transport to Warwick Farm Pre Trainers = \$210  
21 days Pre-training at Warwick Farm to 13/9/10 = \$1,575  
Miscellaneous additional costs at Warwick Farm include Track Fees (\$39), Farrier Feet Trim and Shoes (\$165), Parasite Drench (\$78) = \$282  
Transport to Rosehill Stables of Gerald Ryan = \$180  
Full Training with Gerald Ryan 13/9/10 to 30/9/10 = \$1,850

**(F) BUDGETED SYNDICATE ESTABLISHMENT & PROMOTION**  
**= \$16,159 + GST**

**Establishment & Promotion** = \$9,826

Postage, Printing, Handling, Stationary \$124, 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, Veterinary Report for PDS \$195, Advertising = \$7,500 (TV – Radio – Websites Pro Rata expenses across: TVN – Sky Sports Radio – Bloodstock.com – Racenet)

**Accounting & Legal** = \$6,333

Accounting and Auditors Fee: Frank Larosa & Co Chartered Accountants \$4,400, (Pro Rata), Legal Fees (Pro Rata): Macquarie Legal Practice \$1,900, ASIC PDS in-use Form FS88 \$33.

*All prices above have been recorded as GST exclusive*

**(E) GST :** (10% Goods & Services Tax) **\$ 19,927**

**SUB-TOTAL COSTS** **\$ 219,200+**

**(F) STATUTORY FEES :** **\$ 300**

(Racing NSW Registration Fees of \$300 is **GST Exempt**)

**TOTAL PRICE TO 30/09/10** **\$219,500**

**10% Shares @ \$21,950 (including GST) per share**

**5% Shares @ \$10,975 (including GST) per share**





Account of GLENLOGAN PARK, Innisplain, Qld.



**Lot 206** (Plus GST)

**BAY COLT**

**Stable J 19**

Foaled 23rd October 2008

Branded : nr sh; 91 over 8 off sh

Sire	Redoute's Choice	Danehill	Danzig
<b>SNITZEL</b>		Shantha's Choice	Canny Lad
2002	Snippets Lass	Snippets	Lunchtime
		Snow Finch	Storm Bird
Dam	Rory's Jester	Crown Jester	Baguette
<b>FATINA (NZ)</b>		Rory's Rocket	Roan Rocket
1995	Iradah	Bleachingly	Biscay
		Gold and Purple	Golden Fleece

**SNITZEL (AUS) (Bay 2002-Stud 2006). 7 wins-4 at 2-to 1200m, A\$1,031,550, MRC Oakleigh P., Gr.1, AJC Challenge S., Gr.2, Up and Coming S., Gr.3, STC Skyline S., Gr.3, AJC Breeders' P., L, BTC Tommy Smith Slipper S., L, 2d VRC Newmarket H., Gr.1. Brother to SW Viennese (SAJC Jansz H., Gr.3). Half-brother to SP Wiener. Sire of Chance Bye, Intertidal, Bouzy Rouge, One More Grand, etc. His oldest progeny are 2YOs.**

#### 1st dam

FATINA, by Rory's Jester. **2 wins** at 900m, 1300m, 3d SAJC Vanellus 2YO H. This is her sixth foal. Her fifth foal is a 2YO. Her fourth foal is an unraced 3YO. Dam of three foals to race, **two winners**-  
Snippetty Day (f. by Snippets). **2 wins**-1 at 2-at 1000m, 1200m, STC Stephensons Food Services H., 2d AJC Birthday H., Safilo P., 4th Canberra RC Black Opal S., **Gr.3**.  
Yields of Gold (f. by High Yield). **4 wins** at 1000m, 1100m.  
Show Me (g. by Show a Heart). Placed in 2008-09.

#### 2nd dam

IRADAH, by Bleachingly. **Winner** at 1600m. Three-quarter-sister to **Maamur**, half-sister to **JULIE LA ROUSSE** (dam of **JULIE JALOUSE**, **MARIENSKY**, **ROUSING VICTORY**), **Summit Park** (dam of **TIGI**), Ragtime Rumble (dam of **ZAMBA CANUTA**). Dam of 8 foals, 7 to race, **all winners**, inc:-  
Saayeb. **12 wins** to 1450m, A\$160,505, to 2008-09, VRC Bakery Hill H.

#### 3rd dam

GOLD AND PURPLE, by Golden Fleece. Unraced. Half-sister to **DARK LOMOND**, **SOUTH ATLANTIC**, **FORLENE** (dam of **SAGE WELLS**, **GLORIA'S DANCER**), **ENCYCLOPEDIA**, **Outrider**, First Act (dam of **HEAVENLY ROMANCE**), Salvatico (dam of **MIRAFLORA**). Dam of 8 foals, 5 to race, **4 winners**, inc:-  
**JULIE LA ROUSSE** (Lomond). **7 wins**-1 at 2-from 7f to 9f, Gulfstream Suwannee River H., **Gr.3**, Curragh Solonaway S., **L**, Gulfstream Bayakoa H., **L**, Calder My Charmer H., **L**, 2d Irish One Thousand Guineas, **Gr.1**, Laurel All Along S., **Gr.2**, 3d Curragh Pretty Polly S., **Gr.2**. Dam of-  
**MARIENSKY** (Gulch). **5 wins** from 1600m to 2200m, Belmont Sheepshead Bay H., **Gr.2**, Just A Game H., **Gr.3**, Criterium de Lyon, **L**, 2d Keeneland Valley View S., **Gr.3**, 3d Longchamp Prix Vanteaux, **Gr.3**. Producer.  
**JULIE JALOUSE** (Kris S). **4 wins** from 9f to 1½m, Gulfstream Orchid H., **Gr.2**, Gowran Denny Cordell Lavarack Memorial Fillies S., **L**, 3d Hollywood Waya H., **L**, 4th Calder La Prevoyante H., **Gr.2**. Producer.  
**ROUSING VICTORY** (Victory Gallop). **4 wins** from 8½f to 13f, US\$258,437, Saratoga John's Call S., **L**, Meadowlands John Henry S., **L**, 2d Aqueduct Red Smith H., **Gr.2**, Belmont Jamaica H., **Gr.2**, Lawrence Realization S., **Gr.3**, 3d Belmont Knickerbocker H., **Gr.3**.  
**Summit Park** (A.P. Indy). **3 wins**, 3d Tampa Bay Wayward Lass S., **L**. Dam of-  
**TIGI** (Dixieland Band). **3 wins**-1 at 2-from 7f to 8½f, Calder Capital Request S., **L**, 2d Calder Shocker T H., **L**, Chaposa Springs H., **L**.  
Ragtime Rumble. Unraced. Dam of-  
**ZAMBA CANUTA** (Unaccounted For). **2 wins** in Peru, Monterrico Clasico Maidenform, **L**, 2d Clasico Derby Nacional, **Gr.1**. Producer.

Generated on 03/21/10

SNITZEL (2002)	DANZIG (I/C)	1	NORTHERN DANCER
	DANEHILL (Q)		PAS DE NOM
	RAZYANA	1	HIS MAJESTY
	REDOUTE'S CHOICE (Q)		SPRING ADIEU
	CANNY LAD (Q)		BLETCHINGLY
	SHANTHA'S CHOICE		JESMOND LASS
	DANCING SHOW		NIJINSKY II
			SHOW LADY
	LUNCHTIME (Q)		SILLY SEASON
	SNIPPETS		GREAT OCCASION
Prospective foal	EASY DATE		GRAND CHAUDIERE
	SNIPPETS' LASS		SCAMPERING
	STORM BIRD (Q)	1	NORTHERN DANCER
	SNOW FINCH		SOUTH OCEAN
	A REALGIRL		IN REALITY
FATINA (95)			SECRET VERDICT
	BAGUETTE		REGO
	CROWN JESTER		DARK JEWEL
	ANJUDY		WILKES
	RORY'S JESTER (Q)		PUPPET
	ROAN ROCKET		BUISSON ARDENT
	RORY'S ROCKET		FARANDOLE
	CANTADORA		MATADOR
			KANTARA
	BISCAY (Q)		STAR KINGDOM
IRADAH	BLETCHINGLY (Q)		MAGIC SYMBOL
	COOGEE		RELIC
			LAST JUDGEMENT
	GOLDEN FLEECE		NIJINSKY II
	GOLD AND PURPLE		EXOTIC TREAT
	ARKADINA		RIBOT
			NATASHKA

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

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

D.I.: 3.00 C.D.: 0.50

Werk Quality Rating: Q 7

Dosage Points: 2 + Quality Points: 32 = Total Points: 34

5-Generation Inbreeding: BLETCHINGLY - 5m x 3f  
NORTHERN DANCER - 5m, 5m x  
NIJINSKY II - 5f x 5m

Stakes winners bred from the DANEHILL--RORY'S JESTER cross

Stakes Winner	Yob	Sex	Best	Dirt	AWS	Turf	Pedigree
BATTLEFIELD	2005	G				Y	CHOISIR ex CHARMING CHARGE (RORY'S JESTER)
CHUCKLE	99	F				Y	DANEHILL ex CLOWNING (RORY'S JESTER)
DANERIP	2005	F				Y	DANETIME ex CHERRY RIPE (RORY'S JESTER)
DOWNHILL RACER	2004	F	G2			Y	DANEHILL DANCER ex TRICK SKI (RORY'S JESTER)
HINTING	2000	F	G3			Y	DANZERO ex WON'T TELL (RORY'S JESTER)
LANGNESS	2002	F				Y	DANEHILL ex ISCA (RORY'S JESTER)
MINSTREL COURT	2005	C				Y	DANEHILL DANCER ex TREGURRIAN (RORY'S JESTER)
NOSMO KING	2004	C				Y	CULLEN ex BROCKOVICH (TUSCANY FLYER)
NOT A SINGLE DOUBT	2001	C				Y	REDOUTE'S CHOICE ex SINGLES BAR (RORY'S JESTER)
PERMAISCUOUS	2003	F	G3			Y	DANZERO ex PERMAI (RORY'S JESTER)
REWARD FOR EFFORT	2006	C	G1			Y	EXCEED AND EXCEL ex MISS PROSPECT (RORY'S JESTER)
ROSA'S SPUR	2002	F	G3			Y	FLYING SPUR ex ROSA'S JOY (RORY'S JESTER)
THE HECKLER	2006	G	G1			Y	LUCKY OWNERS ex COMEDY CAFE (RORY'S JESTER)
WORLD PEACE	2001	F	G3			Y	DANEHILL ex LIGHT UP THE WORLD (RORY'S JESTER)

## **PEDIGREE “NICK” RATING SCORES**

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

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

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

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

#### **Statistics:**

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

There are 541 Stakes Races in Australia this racing season.

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

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

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

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

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

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

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

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

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

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

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

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

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

In order to understand the ratings for easy use, a letter-grade scale was developed. As in the scholastic setting, the scales ranges from A through F with A+ and A++ possible to be achieved in some select instances. The percentages shown in the table below are the deviation from the norm that has been observed by that sire line cross in question. On this scale -15% to +15% (C) is considered average, meaning that the sire-line cross has

yielded results that are statistically no better and no worse than what would be expected with the entire population.

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

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

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

Dynamic Syndications uses these rating tools along with additional pedigree analysis systems from other software databases to establish what we consider is an inherent opportunity of greater racetrack success. Often a horse can have a very high Nick rating and yet score lowly on the variant and visa versa. We use this information to assist us in pedigree selections after the physical inspections have also been considered.

**The Rating Scale is shown below:**

<b>Nick</b>	<b>Horse</b>	<b>Variant</b>
A++	Superior	+1501
A+	Superb	+500 to +1500
A	Outstanding	+150 to +499
B+	Very Good	+100 to +149
B	Good	+50 to +99
C+	Acceptable	+16 to +49
C	Average	-15 to +15
D+	Weak	-16 to -34
D	Poor	-35 to -49
F	Unsuccessful	-50
0 SW	Zero Stakes Winners	0 SW

## **Quality Rating Summary**

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

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

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

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





**Dr Susannah Thompson Hawke**  
BVSc MACVSc MRCVS  
GradDipAnimChiro RacingDip  
P O Box 325  
**ROMSEY Victoria 3434 Australia**  
M. +61 412 687053  
susannah.vet@bigpond.com

**VETERINARY CERTIFICATE OF EXAMINATION**

**QTIS 600 Yearling Sale 2010**

Magic Millions Sales Complex, Bundall, Qld  
21<sup>st</sup> march 2010

**At the request of Dean Watt of Dynamic Syndications**

An examination of **Lot 206, a bay yearling colt by Snitzel ex Fatina (NZ)** was carried out prior to purchase. Brands and pedigree were as catalogued.

**Physical Examination**

The colt presented as an attractive, athletic individual with scope. He was nicely grown and forward for his age. He was examined in hand at the complex where his movement was demonstrated to be fluent and well balanced, a colt that was very light on his feet. The full clinical examination in the stable was completely normal and he showed to have an excellent temperament when handled.

**Radiographic Examination**

There were no significant radiographic changes found on a review of a standard set of 34 pre-sale radiographs available in the repository at the sales complex.

**Endoscopic Examination**

The colt passed the post-sale endoscopic examination in accordance with the standard conditions of sale. The larynx and pharynx were recorded as normal in appearance and in function.

In conclusion the bay yearling colt by Snitzel ex Fatina (NZ), Lot 206, is in my opinion and at the time of examination, suitable as a racing proposition and is thereby suitable for syndication and for mortality insurance cover.

**Susannah Hawke**

BVSc MACVSc MRCVS GradDipAnimChiro DipRacing

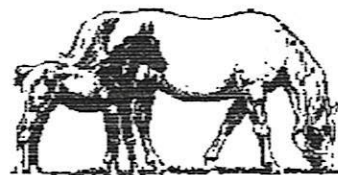
This certificate has been prepared for inclusion in the disclosure statement issued by the Syndicate and at the time of examination can be relied upon as a true document. The issuing veterinarian has no financial or other interest in the Syndicate or monies raised from the Syndicate. The examination was performed using EVA guidelines.

**Dr Susannah Thompson Hawke**  
ABN 80 365 224 945





# WOLLONDILLY EQUINE




P.O Box 125  
Oakdale 2570 Australia  
Phone: 02 4659 7322  
Fax: 02 4659 7122  
E-mail: wollondillyequine@bigpond.com

## Veterinary Report

Date: 25/06/2010

Horse Name: Snitzel/Fantina

Description: Bay Colt

Brand: NS:  G.P. OS: 91  
8

I examined the above horse to assess its suitability to syndicate as a race horse.

The examination performed was a general health check which included temperature, pulse, respiration, cardiac and thoracic auscultation as well as assessing eyes for sight, mucous membrane colour and musculature symmetry and basic conformation where no abnormalities were found.

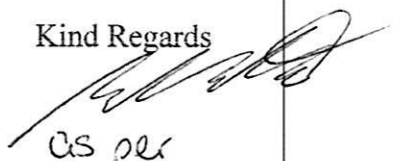
There was no lameness at the walk and trot and no response to hoof testers was found. On palpation and manipulation of the legs and major joints no abnormalities were found.

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

Based on the above examination the horse is suitable for syndication as potential race horse. Obviously the above mentioned special procedures would be necessary to diagnose certain joint problems such as OCD or problems with the upper respiratory tract.

Please do not hesitate to contact the undersigned if you have any queries regarding the above.

Kind Regards



CS per  
Dr Andrew Argyle B.V.Sc (PRET)  
Wollondilly Equine

## GERALD RYAN RACING

2 June 2010

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:

2008 Bay colt – SNITZEL / FATINA

I have agreed to train the abovementioned horse from my stables at both Rosehill and Murwillumbah in accordance with my standard terms of trade. These terms are available from my office upon request.

Further, my business practice is in accordance with the Product Disclosure Statement supplied with this horse.

I acknowledge that Dynamic Syndications employ Dr Susannah Thompson-Hawke as their contracts veterinarian. I am aware Dr Thompson-Hawke had seen this horse at the sales prior to purchase where it passed a physical examination and its x-ray inspections were clear. I am aware the horse passed full inspection for syndication.

I declare that I also inspected the colt at the sale independently to Dynamic Syndications and considered him one of the prime lots. I rated him as one of the best colts at the sales and was delighted to have been chosen to train him.

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,



Gerald Ryan

Racehorse Trainer

LOCKED BAG 207 OATLANDS NSW 2117

E: [ascothill@hammercall.com.au](mailto:ascothill@hammercall.com.au)

M: 0419 394 419 Fax: 02 9637 2097



# Logan Livestock Insurance Agency Pty Ltd

ABN 81 001 870 204

www.logans.com.au

AFS Licence No. 238950

21 PARRAWTEEN 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

15/07/2010

Dynamic Syndications  
PO Box 2324  
Taren Point NSW 2229

## MEMORANDUM OF INSURANCE

**Policy No:** L083128

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

**Interest:** Unnamed  
2008 Bay Thoroughbred Colt  
'Snitzel/Fatina'

**Use:** Flatracing

**Limit of Liability:** Aud\$219,500 being 100%

**Period:** 21<sup>st</sup> March 2010 to 4.00pm 1<sup>st</sup> November 2010

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

**Underwriters:** Lloyd's of London

Information on horse insurance is available at -:  
www.logans.com.au

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

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

