



DISCLOSURE STATEMENT FORTUNA NO 127 SYNDICATE

1. INTRODUCTION

Fortuna Limited was founded by **John Galvin** in 2007 with a vision of providing a high quality thoroughbred syndication, administration and racing management service to its clients. **Fortuna**, a New Zealand Thoroughbred Racing Authorised Syndicator, races horses in New Zealand, Australia and Singapore, with **Jamie Richards** being its principal NZ based Trainer (but handing over to **Mark Walker** end of April 2022) and **Donna Logan** its Singapore based Trainer. **Kevin Myers** also trains some NZ based horses for Fortuna and **Anthony and Sam Freedman** train its Melbourne based horses.

Fortuna is very client focused and it aims to be the very best it can on behalf of its clients with all aspects of Thoroughbred Syndication Management. Hence its motto:

"Selected, Trained, Ridden and Managed – By Professionals"

2. Directory

Name of Promoter:	Fortuna Limited
Address of Promoter:	5 Johnnybro Place, Rototuna North, Hamilton 3210
Manager and Director:	John Eric Galvin
Bankers:	Westpac Banking Corporation
Accountants:	One Base Accounting - Hamilton
Solicitors/Legal Advisors:	Harkness Henry – Hamilton

3. Business Plan

- This Syndicate will race just one horse, that being the Yearling Filly by Reliable Man out of Conferre – Stable Name "Connie"
- The objectives of the Syndicate are to educate, train and race the Syndicate racehorse with the primary aim to win prize money for the Syndicate Members and to share in the fun and camaraderie associated with owning and racing a racehorse that is in shared ownership
- Connie was acquired at the Karaka Book Two Yearling Sale on 10th March 2022 – she will spell at Te Akau Stud in the Waikato for four weeks before commencing a breaking in process. Once broken in she will be transferred to the care of Fortuna's NZ Trainer, Mark Walker, of Te Akau Racing Stables based at Matamata, where she will commence her first stable preparation lasting about two weeks – she will then go for a spell at Te Akau Stud and return to the Stables for a second preparation late winter/early spring
- During that second preparation, Mark will continually assess her and determine whether she presses onto a trial or be put aside for more maturity and development. Based on her pedigree, physical type and conformation, her best distances are likely to be in the 1600 metre to 2400 metre range
- An early foal, Connie has developed into a strong, well grown Filly of good medium size and presents as a type that will mature into a quality Three Year Old and then into a genuine staying type as an older Mare
- Registered for the Karaka Million Series, Connie is unlikely to show sufficient development to be a candidate for the Karaka Million race 2yo race (NZ\$1m prizemoney) over 1200m run at Ellerslie late January 2023. As a 3yo however, she will be eligible to compete in the Karaka 3yo Classic (NZ\$1m prizemoney) over 1600m run at Ellerslie January 2024. Order of entry for the 3yo race is determined by Handicap Ratings

4. Bloodstock

- (a) Name **Unnamed (Stable Name "CONNIE")**
- (b) Breeding (Sire/Dam) **Reliable Man – Conferre**
- (c) Sex **Filly**
- (d) Foaling Year **2020 (Foaling Date 3 Sept 2020)**
- (e) Microchip number **985125000117543**
- (f) Brand Marks **Near Shoulder G/H – Off Shoulder 55/0**

5. Initial Costs and Expenses

- (a) Purchase of Bloodstock
 - (i) Purchase Date **10th March 2022**
 - (ii) Public Auction **Karaka Yearling Sales –**
 - (iii) Cost **NZ\$35,000 plus GST**

- (b) Breakdown of other Initial Costs
 - Promoter Fee **\$10,000 plus GST**
 - Marketing and Promotion **\$ 7,000 plus GST**
 - Research/Inspect/Buying Fee **\$ 2,500 plus GST**
 - Karaka Millions Series Fee **\$ 2,500 plus GST**
 - Valuations **\$ 300 plus GST**
 - Vet Reports **\$ 900 plus GST**
 - Insurance **\$ 2,100 plus GST**
 - Working Capital **\$ 10,665 no GST**
 - Other (specify) **Nil**

Note that a Full breakdown of Initial Costs is provided in Schedule One (Page 10).

- Number of shares (5% shares) **20**
- Cost per share **\$4,000**

Please note that at Manager’s discretion, shares can be issued in smaller parcels than 5%

5. On-going Costs and Expenses (All costs are inclusive of GST if any)

- (a) Pre-Training, Training, Nominations and Acceptances, Transportation, Covers, Vet Care, Farrier, Management Fees, - Annual Estimated costs of **\$45,000 inclusive of GST if any.**

- (b) Members will be required to meet all ongoing costs associated with educating, training, spelling, racing, transportation, animal health and insuring the bloodstock and administration costs of the Syndicate. The Manager requires the Members to make financial contributions to the Syndicate bank account to meet the Syndicate’s actual or prospective obligations. Under normal circumstances the regular monthly payments made by Members **(i.e. \$200 per month per 5% share)** to the Syndicate, will cover all expenses associated with racing the horse. **However in the event they do not, the Manager will issue a capital call on a pro rata basis to all Members to cover any additional costs**

- (c) Regular monthly payments
 - (i) **\$200 per 5% share**
 - (ii) **1st of each month commencing 1st June 2022**
 - (iii) **03-1557-0246029-005 Westpac Bank, Hamilton.**

Note: On written request, supporting invoices or other evidence for costs invoiced will be provided by the Promoter or any person associated with this syndicate

6. Minimum Amount

Fortuna Ltd as Promoter is fully underwriting this acquisition, so no Minimum Amount is required for the Syndicate to proceed.

Note: Subscriptions are held in trust. This means that pending allotment of shares; no subscriptions will be disbursed from the syndicate bank account.

7. Insurance Information

a. Insurer	New Zealand Bloodstock Insurance
b. Term	11 March 2021 to 31st January 2023
c. Value	\$60,000 Incl GST
d. Type of policy	Death Only

8. Two Valuation Reports

a. Marcus Corban	15 March 2022 \$60,000
b. Steve Davis	15 March 2022 \$60,000

The valuation reports are not attached. A copy of the valuation reports may be obtained from the Promoter by request at its mailing address or its email address john@fortuna-nz.com or by requesting copies from NZ Thoroughbred Racing (syndication@nzracing.co.nz).

9. Veterinary Report(s)

Dr Doug Black – Dated 14th March 2022

The veterinary report(s) is not attached. Copies of the veterinary report(s) may be obtained from the Promoter by request at its mailing address or its email address john@fortuna-nz.com or by requesting a copy from NZ Thoroughbred Racing (syndication@nzracing.co.nz).

10. Material interests and Commissions

(a) Disclosures of any material or pecuniary interests

[Note: Any material or pecuniary interest that the Promoter or Manager or a person associated with the Promoter or Manager has in this Bloodstock Syndicate or its Bloodstock must be disclosed in this Disclosure Statement. If any bloodstock offered has been sold by the Promoter, or by Associated Persons of the Promoter, within 12 months prior to the Offer, the purchaser, price paid and date of each transaction within that period shall be shown.

(b) Confirmation of Disclosure of Commissions etc.

The nature of all commissions, fees or rebates and other benefits that have been or may be received in the future by the Promoter or the Manager (or an Associated Person of the Promoter or Manager), specifically in relation to the Bloodstock Syndicate or any of its Bloodstock have been disclosed in sections 4 and 5 of the Disclosure Statement. Any such commissions, fees, rebates or other benefits that may be received in the future will be disclosed to the Participants in writing at the material time.

- The Promoter or Manager has received no commission, fees or rebates other than those disclosed in this Disclosure Statement

11. Standard Industry Risks

- (a) Racing
 - (i) Not all yearlings/prospective racehorses proceed to become racehorses.
 - (ii) There is a significant possibility that any racehorse could injure itself and thereby need a long recuperation period or be unable to race again.
 - (iii) Racehorses are unlikely to have any significant value at the end of their racing career with the exception of well-bred and/or highly performed horses, suitable to become breeding stock.

- (b) Special Risks or factors attaching to this Offer. - Nil

12. Governing Documents

- The Syndicate Agreement which governs the Syndicate is attached

ADDITIONAL INFORMATION

Applicants should note that the Terms below provide an overview of Key Points relating to the Management of the Syndicate. There is a detailed Syndicate Agreement, which is provided to you as a separate document, and will need to be perused and signed by Applicants before subscription will be accepted.

- Prize money earned will be allocated to Members on a pro rata basis once received. On occasions, some or all of prize money earned may be retained in the Syndicate Bank account to bolster working capital requirements.
- All payments of income or capital to or for the benefit of Members will be made at the same time to all Members and in the same proportion as the Shares held by individual Members of the Syndicate
- Trophies will be allocated to Members at Manager's discretion but are usually balloted.
- Unless the horse is already named, Members will have the opportunity to submit a name for consideration.
- Members will receive regular and timely written updates on all aspects of their horse's preparation and racing programme.
- The Syndicate horse will race in the Fortuna Syndication Colours (see example below)
- **If a Member wishes to sell their share in the Syndicate, there is a defined procedure for how this will be handled; this procedure is outlined in Clause 8 of the Syndicate Agreement.**
- If an offer is received to buy the horse from the Syndicate, the Manager will consider the terms of that offer, then make a recommendation to the Members as to those terms and invite Members to provide their feedback on the recommendation with the majority view to prevail.
- Syndicate Members may from time to time, in accordance with clause 14 of the Syndicate Agreement, appoint, remove and replace the Syndicate Manager, provided that the Members give the Manager six months prior written notice of the proposed removal unless the Manager has breached any of the Manager's obligations in this Agreement, and the breach is incapable of being remedied, or has not been remedied by the Manager within 30 days of receiving written notice of such breach.

Fortuna NZ/Aus Racing Silks



Manager's Powers and Functions

The functions of the Manager are to race and manage the Bloodstock in a manner that is consistent with the best interests of the Members, and the Bloodstock. This includes, but is not limited to, the sole right, in the Manager's discretion, to make decisions without any obligation to consult with the Members, on matters which relate to the racing and management of the Bloodstock such as (but not exclusively so):

- a. the choice of racing programme;
 - b. training methods and veterinary treatment
 - c. the choice of jockey;
 - d. the choice of trainer;
 - e. if the Bloodstock is to be raced outside New Zealand
 - f. stud management and breeding policy (including whether colts are to be gelded)
 - g. agistment,
- provided those decisions are in the best interests of the Members.

In practice, Members are usually consulted with and advised on the points above.

The Manager is also empowered to execute Ownership and Registration documents on behalf of the Syndicate and its Members with New Zealand Thoroughbred Racing and any other Racing Jurisdictions in which the Syndicate bloodstock may race.

Complaints or Disputes

If a Member has a problem, concern, or complaint about any part of the service offered by the Manager, please tell us so that we can try to fix the problem.

We will try in the first instance to resolve any complaint or dispute internally. We conduct an internal complaints handling process administered by John Galvin. You may contact John by writing to him at;

5 Johnnybro Place, Rototuna North Hamilton 3210, email john@fortuna-nz.com or telephone 021 921 460.

The Syndicate Agreement has a Disputes Resolution Clause (Clause 22) and this Clause governs the process for any Disputes Process and Resolution.

Initial Costs and Fees

In addition to the capital cost of the bloodstock, Syndicate members will bear the following initial Costs and Fees:

- **Promoter's fee.** This fee will be 10% of the purchase price of the syndicate bloodstock with a minimum of **\$10,000 + GST** - the fee for this Syndicate is **\$10,000 plus GST**
- **Marketing Contribution Fee.** It is in Members' interest that the Syndicate be filled in a timely fashion as no disbursement can be made, under the NZTR Code of Practice, until the total Syndicate capital is collected. Therefore, a marketing contribution of **\$7,000 plus GST** is collected as part of this Syndicate's Capital.
- **Sales/Research Fee.** Covers the cost of any travel/accommodation/research and inspections by Team Fortuna and any fees by its agents/representatives. **Fee is NZ \$2,500 plus GST for this syndicate**
- **Karaka Million Fee – this fee of \$2500 plus GST** is the registration fee for the Karaka Million Series
- **Valuation Fees.** Under the NZTR syndication rules, valuations of the Bloodstock must be obtained from two NZTR approved valuers and their valuations must be disclosed on the Disclosure Statement. These fees are **\$150 plus GST per horse per valuation.**
- **Veterinary Fee.** This fee relates to the Veterinary inspections and reports provided by our Veterinary Surgeon as we undertake due diligence. This fee is **NZ\$900 plus GST approx**
- **Bloodstock Insurance.** The cost of this is **3.5% plus GST** of the value of the Bloodstock and is paid annually (to 31 Jan of the following year) in advance
- **Working Capital.** Usually, the Syndicate will collect an amount of capital from Members to cover working expenses associated with the Bloodstock until such time as Member's ongoing fees commence and any capital remains the property of the Syndicate and its Members. Working Capital for this syndicate is **NZ\$9,730**

Ongoing Costs and Fees

- **All costs associated with the preparation, training, racing and Administration of the Syndicate Bloodstock.** While the annual total of ongoing fees will vary to some degree depending on the path that each individual horse may take, a good indicative figure is approximately **\$45,000 per annum** inclusive of GST if any
- **Fortuna Ltd Administration fee.** This fee is **\$350 plus GST per month** and is included in the expense estimate above.

To cover these costs, each Syndicate member contributes a pre-determined set monthly amount to the Syndicate bank account by Automatic Payment. Syndicate statements will show the state of each member's current account within the Syndicate. The monthly amount is currently **\$400 per month for a 10% share, \$200 per month per month for a 5% share, \$100 per month for a 2.5% share and \$40 per month for a 1% share. These figures are GST inclusive.** Under normal circumstances the regular monthly payments made by Members (i.e \$200 per month per 5% share) to the Syndicate, will cover all expenses associated with racing the horse. **However in the event they do not, the Manager will issue a capital call on a pro rata basis to all Members to cover any additional costs. (see clause 9.1 of the Syndicate Agreement)**

Stakes Fee

In the event that the bloodstock wins stakes money in events that are described as "Listed" or "Group" or "Cups" events in New Zealand or in any race in any International Racing Jurisdiction, the Manager shall be entitled to receive **5% plus GST (if any)** of the stakes money received. (see clause 19.9) of the Syndicate Agreement

Sale of Bloodstock Fee

In the event that the Bloodstock (or part thereof) is sold at a future date the Manager will be entitled to a fee representing **10% plus GST (if any)** of the sale price. (see clause 19.11 of the Syndicate Agreement)

Note that in the event of the bloodstock being sold the Manager, with the approval of the Syndicate Management Committee, may approve a "success fee" payment to Te Akau Racing Stables of up to 5% of the gross sales price

SCHEDULE ONE – SUMMARY OF INITIAL COSTS

All costs in NZ\$

Reliable Man Filly	#127	Syndicate	
	Amount	GST	Total
Horse Purchase Price (NZ\$)	35000	5250	40250
Promoter Fee	10000	1500	11500
Marketing Fee	7000	1050	8050
Sales/Research Fee	2500	375	2875
Karaka Million Fee	2500	375	2875
Veterinary fee	900	135	1035
Valuation fee	300	45	345
Insurance	2100	315	2415
Working Capital	10,655	0	10655
Other			
Grand Total	\$70,955	\$9,045	\$80,000
Cost of Share 10%			\$8,000
Cost of Share 5%			\$4,000
Cost of Share 2.5%			\$2,000
Cost of Share 1%			\$800

20 shares (each share 5%) @ \$4,000. (Note that the Manager has the discretion to issue shares in parcels larger or smaller than 5%)

Ongoing monthly contributions \$200 pm (per 5% share) commencing 1st June 2022

Finalised by John Galvin on 20th March 2022

PEDIGREE

GREY FILLY

Foaled 3rd September 2020

Sire	Dalakhani	Darshaan Shirley Heights
RELIABLE MAN (GB) 2008	On Fair Stage	Daltawa Miswaki Sadler's Wells Northern Dancer
Dam	Encosta de Lago	Fair Salinia Petingo Fairy King Northern Dancer
CONFERRE (AUS) 2008	Confer	Shoal Creek Star Way Danehill Danzig Shackle Luskin Star

RELIABLE MAN (GB) (Grey 2008-Stud 2013). 5 wins from 2000m to 2400m, Chantilly Prix du Jockey Club, Gr.1, Leading First Season Sire in Germany in 2017, Sire of 552 mrs, 300 wnrs, 18 SW, inc. Miami Bound (VRC Oaks, Gr.1), Inspirational Girl, Miss Sentimental, Hypnos, Akribie, Reliable Team, Belle du Nord, Erasmus, Adrian, Annavisto, Ardakan, De la Terre, Kinane, Narella, Quiet Times, Naida, Ernesto, Main Stage, SP Ariolo, Benaud, etc.

1st dam

CONFERRE, by Encosta de Lago. 4 wins-1 at 2-from 1400m to 2400m, MVRC Alternate Railway H. Three-quarter-sister to **Tremezzo** (dam of **TESTAMEZZO**), half-sister to **Nite Rocker**. This is her sixth foal. Dam of five foals to race, two winners, inc:-
Landry (g. by El Roca). 2 wins at 1400m to 2021-22, Otaki Maori RC Aquashield Roofing H., 2d Rotorua RC Dunstan Qualifier H.
Gold Runner (g. by Medaglia d'Oro). Winner at 1000m in Aust.
Danelyn (f. by Sepoy). Placed at 2 & 3, 3d Waikato RC Team Wealleans 2YO H.

2nd dam

Confer, by Danehill. Placed, A\$161,870, 2d AJC Surround S., **Gr.2**, STC Magic Night S., **Gr.2**, Sweet Embrace S., **Gr.3**, Bravery 2YO H., VATC Swinburne International H., 3d AJC Flight S., **Gr.1**, VRC Wakeful S., **Gr.2**, AJC Silver Shadow S., **Gr.2**, 4th VRC Oaks, **Gr.1**, STC Tea Rose S., **Gr.2**. Half-sister to **Arrest**. Dam of 16 named foals, 15 to race, 8 winners, inc:-
Nite Rocker (More Than Ready). 5 wins to 1400m, A\$187,500, SAJC Adelaide Galvanising H., Jims Window Cleaning H., Melbourne Cup Live Racing H., Thomas Farms H., 2d SAJC Durbridge S., **L**, ATC McGrath Estate Agents H., MVRC Mitchelton Wines P., 3d BRC Sprint H., **Gr.3**.
Conferre. 4 wins. See above.
All the Goss. 3 wins at 1200m, 1400m, MRC Premier Signs P Dam of-
Idle Chat. 4 wins to 1100m, A\$103,140, Clarence River JC Sir James Kirby Quality H., 2d ATC TAB Iphone App H., BRC Mitavite H. Producer.
Red Impact. Winner at 1650m in 2020-21, HKJC Hau Tak H., 2d HKJC Foshan H., Hanshin H., 3d HKJC Uranus H., Tsz Wan Shan H.
Lumberjack. Winner at 1400m, 3d ATC TAB Rewards H.
Cast Your Vote. Winner at 2300m in Aust. Dam of-
Stocked and Loaded. Winner at 2200m in 2021-22, GCTC Burleigh Bowls P, 2d BRC Cascade P, Mullins Lawyers H., 3d BRC Millers Swim School H.
Vibe. Placed at 2 & 3, 3d VRC Flemington Hill Stand 2YO H. Dam of-
Vibrant Moss. 3 wins at 1200m, ARC Celebrating Baker Racing H., Farewell to Ross Hawthorn H., 2d Marton JC Coombe Smith Rangitikei 2YO H., ARC Coca-Cola H., 3d BOP RC New Zealand Bloodstock Insurance Pearl Series H., ARC Laser Plumbing Te Puke H., Rotary H., BOP RC Seeka Kiwifruit Industries H. Producer.

3rd dam

SHACKLE, by Luskin Star. 4 wins-1 at 2-from 1000m to 1600m, A\$180,260, VATC Tranquil Star S., **Gr.3**, VRC Dalgety Bloodstock S.H., **L**, VATC Heath S.H., **L**, SAJC Panamint H., 2d VRC Oaks, **Gr.1**, Australasian Oaks, **Gr.1**, VRC Edward Manifold S., **Gr.2**, 3d VATC One Thousand Guineas, **Gr.1**. Dam of 14 named foals, 11 to race, 6 winners, inc:-
Arrest (Marauding). Winner at 2, AJC Sledmere 2YO H., 3d ACT RC Black Opal S., **Gr.2**, 4th STC Magic Night S., **Gr.2**. Producer.
Confer (Danehill). Placed. See above.
Merge - Amazing Force (Mac.). 7 wins-1 at 2-to 1400m in Aust. and Macau, Macau Chong San H., New Zealand Trophy, Hong Kong Reunification Cup, VATC Blazing Saddles 2YO H.
Draft. Winner at 1000m, MVRC Melba H. Dam of-
Tremezzo (Encosta de Lago). 5 wins from 1300m to 2000m, A\$160,980, MRC Sir Blink H., 2000m-in track record time, Tullia H., Lady Medallist H., 2d VRC Ritzenhoff H., MRC Mal Seccull H., 3d SAJC Tokyo City Cup, **L**, MRC Belhaven H., Brian Green H., MVRC Gillies Famous Pies H., MRC Swell Time H., 4th SAJC Birthday Cup, **L**. Dam of-
TESTAMEZZO (Testa Rossa). 7 wins-2 at 2-to 1500m, A\$377,347, WATC Magic Millions Perth 3YO Trophy, **RL**, Raconteur S., **L**, Stef Mangan Racey Ladies H., Margaret River Wine Region 2YO H., Appleton Estate Sprint H., Perthracing.org.au H., 2d WATC Colonel Reeves S., **Gr.3**, Bunbury TC Western Australian Breeders' Classic, **L**, WATC Network Aviation Sprint H., 3d WATC Tabtouch Sprint H., 4th WATC Winterbottom S., **Gr.1**, AJ Scahill S., **Gr.3**.
Tied Up. Unraced. Dam of-
In a Tangle (Bradbury's Luck). 3 wins-1 at 2-to 1350m, A\$116,150, BRC Sky Racing H., 2d Gold Coast Bracelet, **L**.

