



DISCLOSURE STATEMENT

FORTUNA TITAN SYNDICATE NO 104

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 both New Zealand and Singapore, with **Jamie Richards** being its NZ based Trainer and **Mark Walker** its Singapore based Trainer.

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 Three Year Old (as of 1 August 2020) Gelding named "Titan" (note that this horse raced in Australia as "Titan Of Industry" but is to be renamed for Singapore Racing)
- 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.
- Titan will arrive in New South Wales while awaiting to travel to Singapore – timing of that travel is scheduled for late August 2020 – on exiting quarantine after arrival in Singapore, he will be in the care of the Fortuna NZ Stable Singapore based Trainer, Mark Walker of Te Akau Racing Stables
- We expect, all going to plan, that Titan will be ready to race in December 2020 and, based on his pedigree and confirmation, his best distances are likely to be in the 1100 metre to 1800 metre range
- As a Three Year Old (from 1 August 2020), Titan is Eligible for Restricted Maiden Grade races in Singapore carrying prizemoney of S\$75,000 (approx NZ\$83,000) and once winning in the Grade, he is eligible for Novice Grade races, also carrying prizemoney of S\$75,000 (approx NZ\$83,000)
- As a Three Year Old Titan will be eligible for the Singapore 3yo Series consisting of three Group races run during April and May of 2021 for total prizemoney of S\$1.5m approx.
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4. Bloodstock

- | | |
|----------------------|---------------------------------|
| (a) Name | Titan |
| Breeding (Sire/Dam) | Written Tycoon - Keltara |
| (b) Sex | Gelding |
| (c) Foaling Year | 2017 (DOB 1 Sept 2017) |
| (d) Microchip number | 985100012146986 |
| (e) Brand Marks | Left MTP Right 6/7 |

5. Initial Costs and Expenses

- | | |
|--------------------------------------|----------------------------------|
| (a) Purchase of Bloodstock | |
| (i) Purchase Date | 16th July 2020 |
| (ii) Public Auction | Inglis Digital Sale |
| (iii) Cost | A\$37,500 No GST |
| (b) Breakdown of other Initial Costs | |
| Promoter Fee | \$10,000 plus GST |
| Marketing and Promotion | \$ 7,500 plus GST |
| Sales & Research Fee | \$ 2,500 plus GST |
| Valuations | \$ 300 plus GST |
| Vet Reports | \$ 600 no GST |
| Insurance | \$ 1,200 plus GST |
| Working Capital | \$ 9,560 no GST |
| Singapore Travel | \$14,000 no GST |
| Other (specify) | Nil |

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

Number of shares	20
Cost per share	NZ\$4,500

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 **\$42,000 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. \$180 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) | \$180 per 5% share |
| (ii) | 1st of each month commencing 1st October 2020 |
| (iii) | 03-1557-0229077-012 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	16 July 2020 to 31st January 2021
c. Value	\$50,000 Including GST
d. Type of policy	Death Only

8. Two Valuation Reports

a. Adrian Clark	20 July 2020 A\$37,500
b. Michael Wallace	20 July 2020 A\$37,500

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 Emily Streckfuss of Hawksbury Veterinary Clinic, NSW – Dated 14th July 2020

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.
 - **There are no Special Risks or Factors pertaining to this offer**

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.

Jockey Benny Woodworth with Fortuna Singapore 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 invariably 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, Rotorua 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**
- **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 **\$7,500 plus GST** is collected as part of the Syndicate's Capital.
- **Sales/Research Fee.** Covers the cost of any travel/accommodation/research and inspections by Team Te Akau. **Fee is \$2,500 plus GST.**
- **Singapore Transport Fee.** This covers the costs of quarantine and shipping - **\$14,000 approx**
- **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, radiographs and reports provided by our Veterinary Surgeon as we undertake due diligence. This fee is **\$600 plus GST.**
- **Bloodstock Insurance.** The cost of this is **4%** 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 ongoing contingencies. This sum is usually in the vicinity of **\$5,000 and \$10,000** total per Syndicate. This capital remains the property of the Syndicate and its Members.

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 **\$42,000 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. Quarterly statements will show the state of each member's current account within the Syndicate. The monthly amount is currently **\$360 per month for a 10% share, \$180 per month per month for a 5% share, \$90 per month for a 2.5% share and \$36 per month for a 1% share. These figures are GST inclusive.** Under normal circumstances the regular monthly payments made by Members (i.e \$180 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)

SCHEDULE ONE – SUMMARY OF INITIAL COSTS

Titan	#104	Syndicate	
	Amount	GST	Total
Horse Purchase Price	41115	0	41115
Promoter Fee	10000	1500	11500
Marketing Fee	7500	1125	8625
Sales/Research Fee	2500	375	2875
Veterinary fee	600		600
Valuation fee	300	45	345
Insurance to 31 Jan 2021	1200	180	1380
Singapore Transport	14000	0	14000
Working Capital	9560		9560
Grand Total	86775	3225	90000
Share 10%			9000
Share 5%			4500
Share 2.5%			2250
Share 1%			900

20 shares (each share 5%) @ \$4,500. (Note that the Manager has the discretion to issue shares in parcels larger or smaller than 5%)

Ongoing monthly contributions \$180 pm (per 5% share) commencing 1st October 2020

Finalised by John Galvin on 20th July 2020

Pedigree

TITAN OF INDUSTRY (AUS)

Bay Gelding

Foaled in 2017

Sire	Iglesia	Last Tycoon	Try My Best
WRITTEN TYCOON (AUS)		Yodells	Marscay
2002	Party Miss	Kenmare	Kalamoun
		Miss Entertainer	Vain
Dam	Exceed and Excel	Danehill	Danzig
KELTARA (AUS)		Patrona	Lomond
2006	Lady Knockout	Serheed	Nijinsky
		Prime Again	Marooned

WRITTEN TYCOON (AUS) (Chestnut 2002-Stud 2007), 2 wins at 2, STC Todman Slipper Trial S., Gr.2, Leading Sire of 2YO's in Aust. in 2015-16, Sire of 753 mrs, 543 wms, 34 SW, inc. Capitalist (ATC Golden Slipper S., Gr.1), Written By, (La) Luna Rossa, Tycoon Tara, Music Magnate, Despatch, Booker, Tyzone, Pippie, Howmuchdoyoulove, Super Cash, Winning Rupert, Rich Enuff, Teleplay, Hightail, Sexy Eyes, Written Dash, Trump, Vibrant Rouge, etc.

1st dam

KELTARA, by Exceed and Excel, 3 wins to 1350m in Aust. Half-sister to **MISSY CUMMINGS** (dam of **MIZZY**). Dam of three named foals, all raced, two winners-
Dentara (f. by Denman). Winner at 1200m in 2018-19 in Aust.
Zoomesday (g. by Domesday). Winner at 1000m in Aust.
Titan of Industry (g. by Written Tycoon). See below.

2nd dam

LADY KNOCKOUT, by Serheed, 5 wins from 1100m to 2000m, A\$174,357, VRC Matron S., **L**, WATC Belmont Oaks, **L**, Belmont Guineas, **L**, MRC Cole Diesel H., 2d WATC Belmont Classic, **L**, VRC Labour Day H., WATC Pele Man H., 3d VRC Riverside H., 4th SAJC Marsh Classic S., **Gr.2**, New Year's Gift, **L**. Half-sister to **EXPUNGE, YOUNG LIONEL, Indi Pacific**, Prime Knockout (dam of **LIKE A BUTTERFLY**). Dam of 8 foals, 7 to race, 4 winners, inc:-
MISSY CUMMINGS (Magnus), 3 wins to 1400m, A\$84,500, ATC James HB Carr S., **L**. Dam of-
MIZZY (Zoustar), 4 wins to 1400m, A\$1,478,030, to 2019-20, ATC Sheraco S., **Gr.2**, Golden Pendant, **Gr.2**, Toy Show H., **Gr.3**, Tab.com.au P., 2d ATC Ming Dynasty H., **Gr.3**, Tab.com.au 2YO Fillies' P., TAB H., 3d ATC Inglis 3YO Sprint, Golden Eagle, Silver Eagle, 4th ATC Coolmore Classic, **Gr.1**, Surround S., **Gr.1**.

A City Girl, 4 wins-1 at 2- to 1300m, 2d MRC Abdul H., 3d MRC Dextrous H. Dam of-
Magnicity. Winner at 2, A\$76,150, in 2018-19, MVRC Schweppes We Get Golf 2YO P.

3rd dam

PRIME AGAIN, by Marooned, 7 wins from 1400m to 2400m, A\$283,480, WATC Champion Fillies S., **Gr.2**, SAJC Auraria S., **Gr.3**, WATC Strickland S., **Gr.3**, Belmont Oaks, **L**, Burgess Queen S., **L**, 2d South Australian Oaks, **Gr.1**, WATC CB Cox S., **Gr.2**, Strickland S., **Gr.3**, Birthday S., **L**, York H., **L**, Kalgoorlie Boulder RC Boulder Cup, **L**, Kalgoorlie Gold Cup, **L**, WATC Singapore Tourist Board H., Mackay H., West Coast Wine Cooler H., Esmeroid H., 3d Western Australian Oaks, **Gr.2**, WATC Aquanita S., **L**, Fairetha S., **L**, 4th WATC Easter Quality S., **Gr.3**, Dayana Quality S., **L**. Dam of 13 foals, all raced, 11 winners, inc:-

YOUNG LIONEL (Blackfriars), 9 wins from 1200m to 2100m, A\$545,375, Northam Cup, **L**, Bunbury S., **L**, WATC Hosemasters Trophy H., J Gardiner H., Tabtouch H., Imagesource Digital Solutions H., Westside Auto Wholesale H., Perthracing.com.au H., 2d WATC Detonator S., **L**, Ascot Gold Cup, **L**, Northam Cup, **L**, WATC Congrats Adam Durrant Leading Trainer H., Tony Carter Memorial Trophy H., Tabtouch.com.au H.-twice, Kevin Guhl H., Westspeed Incentive Scheme H., Book Now for Melbourne Cup Day H., Facebook.com Perthracing H., Tabform H., 3d WATC Tattersall's Cup, **L**, Coolgardie Cup, WATC Magic Millions Supporting WA H., Seacorp H., Perth Cup Hospitality H., Westspeed Stayers' Bonus H., 4th WATC GA Towton Cup, **L**, Ascot Gold Cup, **L**, Farnley S., **L**, Bunbury TC AHA Cup, **L**.

EXPUNGE (Gilded Time), 7 wins from 1600m to 2800m, A\$177,820, 810,000Rgt., S\$127,591 in Aust., Malaysia and Singapore, Penang TC Yang di Pertua Negeri Gold Cup, **L**, Kyneton Cup, Singapore TC Open H., 2d Singapore Derby Trial, **L**, VRC Comedy King H., 3d MRC Sandown Classic, **Gr.2**, Tasmanian Derby, **Gr.3**, MRC Mara H., Wheatear H.

LADY KNOCKOUT (Serheed), 5 wins. See above.

Indi Pacific (Blackfriars), 4 wins to 1400m, A\$103,830, 2d WATC Ascend Sales Trophies H., Summer Loving H., Crown Towers H., 3d WATC Belmont Oaks, **L**, Book Your Xmas Function H., Schweppes H., Westspeed Forms in Now H.

Decision to Go, 3 wins at 1100m, 1200m, WATC Enjoy Healthy Living H., Jenark H., 2d WATC Special Reward H., Gay Epic H., Apprentices' Challenge H., Bankwest Neighbourhood Banks H., 3d WATC Lindy Ford H., Scarpia H., Todvega H.

Prime Knockout, 4 wins at 1200m, 2d WATC Midweek Roast H., Tabform H., 3d WATC Playeronline.com.au H., Tabtouch.mobi H. Dam of-

LIKE A BUTTERFLY (Blackfriars), 3 wins from 1100m to 1800m, A\$378,890, WATC Ascot One Thousand Guineas, **L**, 2d Western Australian Derby, **Gr.2**, Western Australian Oaks, **Gr.3**, Perth Racing Jungle Dawn Classic, **L**, Starstruck Classic, **L**, Congratulations Sandier Gallo H., Seppelt the Drives H., Pinjarra RC Tabtouch-Better Your Club H., York Cup, 3d WATC Natasha S., **L**, Thomas Sabo H., 4th Perth Racing Detonator S., **L**.

Race Record : 2 Starts 0-0-1 A\$3,250.

Placed at 2 in 2019-20 in Aust.

