



DISCLOSURE STATEMENT

FORTUNA WITHOUT ENVY SYNDICATE NO 118

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 principal 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 Four Year Old (Three Year Old Northern Hemisphere time) Gelding WITHOUT ENVY (Lope De Vega – Purple Pearl)**
- **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.**
- **WITHOUT ENVY is currently agisting at the IRT (our shippers) property near Newmarket in the UK – he has been vaccinated and will enter quarantine for three weeks ahead of a flight to Sydney scheduled for 6th December – on arrival in Australia, he will quarantine for a further two weeks before being released to the Victorian based Trainers, Anthony and Sam Freedman**
- **On arrival at the Freedman Stable, they will assess him and make a plan for him – most likely he will go to the paddock for a period before being brought into the Stable for an Autumn preparation**
- **As a non winner, WITHOUT ENVY will be eligible for Maiden Grade races until he wins at that level - based on his pedigree, conformation and form, his best distances are likely to be in the 2000 metre to 3200 metre range and we will plan to work him through the Grades targeting those sorts of trips**
- **We believe we have bought a genuine two miler type with this horse and we will be making bold plans for him with respect to his targets, those targets being the Premier Cups races in Australia**

4. Bloodstock

- | | |
|-------------------------|------------------------------------|
| (a) Name | WITHOUT ENVY |
| (b) Breeding (Sire/Dam) | Lope de Vega – Purple Pearl |
| (c) Sex | Gelding |
| (d) Foaling Year | 2018 (DOB 30/04/2018) |
| (e) Microchip number | 985101045303608 |
| (f) Brand Marks | No Brands |

5. Initial Costs and Expenses

- | | |
|--------------------------------------|--|
| (a) Purchase of Bloodstock | |
| (i) Purchase Date | 27th October 2021 |
| (ii) Public Auction | Tattersalls UK |
| (iii) Cost | 85,000 Guineas No GST (but Aus GST on entry to Aus) |
| (b) Breakdown of other Initial Costs | |
| Promoter Fee | \$ 15,000 plus GST |
| Marketing and Promotion | \$ 7,500 plus GST |
| Sales & Research Fee | \$ 8,500 No GST |
| Valuations | \$ 300 plus GST |
| Vet Reports | \$ 1,500 no GST |
| Insurance | \$ 8,000 plus GST |
| Working Capital | \$ 13,080 no GST |
| Travel to Aus | \$ 35,000 plus 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\$15,000

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 April 2022 |
| (iii) | 03-1557-0229077-026 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	28th October 2021 to 31st January 2023
c. Value	\$200,000 Including GST if any
d. Type of policy	Death Only

8. Two Valuation Reports

a. Adrian Clark	1st November 2021 85000 Guineas
b. Marcus Corban	1st November 2021 85000 Guineas

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 Duncan Moir Baker McVeigh, Newmarket UK – Dated 28th October 2021

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.

Fortuna Australia/New Zealand 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, 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 **\$15,000 plus GST (8.8% of the purchase price)**
- **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 Fortuna and any fees by its agents/representatives. **Fee is NZ \$8,500 no GST (De Burgh Equine charge 5% of sale price)**
- **Transport to NZ Fees.** This covers the costs of pre travel agistment quarantine and shipping – **NZ\$40,000 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 and reports provided by our Veterinary Surgeon as we undertake due diligence. This fee is **NZ\$1500 no GST approx**
- **Bloodstock Insurance.** The cost of this is **3.4% plus GST** of the value of the Bloodstock and is paid annually (to 31 Jan of the following year) in advance plus an additional 0.5% Transit Insurance
- **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\$13,000**

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. Quarterly 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

Withiut Envy	#118	Syndicate	
	Amount	GST	Total
Horse Purchase Price	170000	17000	187000
Promoter Fee	15000	2250	17250
Marketing Fee	7500	1125	8625
Sales/Research Fee	8500		8500
Veterinary fee	1500		1500
Valuation fee	300	45	345
Insurance to 31 Jan 2023	8000	1200	9200
Transport to Aus	35000	3500	38500
Working Capital	29080		29080
Grand Total	274880	25120	300000
Share 10%			30000
Share 5%			15000
Share 2.5%			7500
Share 1%			3000

20 shares (each share 5%) @ \$15,000. (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 April 2022

Finalised by John Galvin on 1st November 2021

Pedigree

WITHOUT ENVY (GB)

Bay Gelding

Foaled in 2018

Sire LOPE DE VEGA (IRE) 2007	Shamardal	Giant's Causeway.....Storm Cat Helsinki Machiavellian Vettori Machiavellian Lady Golconda.....Kendor Danehill.....Danzig
Dam PURPLE PEARL (IRE) 2010	Danehill Dancer Pearl Sky	Mira Adonde.....Sharpen Up Kahyasi.....Ile de Bourbon Patissima.....Lightning

LOPE DE VEGA (IRE) (Chestnut 2007-Stud 2011). 4 wins-2 at 2, Chantilly Prix du Jockey Club, Gr.1. Sire of 972 mrs, 644 wnr, 88 SW, inc. Santa Ana Lane (ATC TJ Smith S., Gr.1), Belardo, Vega Magic, Newspaperofrecord, Gytrash, The Right Man, Vega One, Zabeel Prince, Aunt Pearl, Phoenix of Spain, Capia Tempress, Lucky Vega, Jemayel, Endless Drama, Very Special, Angel Power, Hero Look, Rodaballo, Duke of Hazzard, Spanish Reef, Manuela de Vega, etc.

1st dam

PURPLE PEARL, by Danehill Dancer. 2 wins at 1600m, 1700m, Deauville Prix de la Monnerie, 2d Maisons-Laffitte Prix Gyges. Dam of three foals, all raced, two winners-
Purple Light (g. by Kendargent). 7 wins-2 at 2-from 1400m to 3800m, €104,783, to 2021 in France and Italy, 3d Auteuil Prix Unvers II Hurdle, Saint-Cloud Prix du Jardin des Tourneroches.
Native Star (c. by Nathaniel). 2 wins at 2150m, 2400m to 2021 in Norway.
Without Envy (g. by Lope de Vega). See below.

2nd dam

PEARL SKY, by Kahyasi. 4 wins at 2000m, 2100m, €188,850, Saint-Cloud Prix Exbury, **Gr.3**, Prix Petite Etoile, **L**, Prix Azulene, Maisons-Laffitte Prix Aquatinte II, 2d Deauville Prix de Pomone, **Gr.2**, Longchamp Prix d'Harcourt, **Gr.2**, Prix de la Flandrie, Saint-Cloud Prix Gazala, 3d Saint-Cloud Prix Zariba, 4th Grand Prix de Deauville, **Gr.2**. Dam of 9 named foals, 6 to race, 3 winners, inc:-
Purple Pearl. 2 wins. See above.
Kazarov. 9 wins from 2650m to 4200m, €205,760, 2d Compiègne Prix Dawn Run Hurdle.
Baron. 2 wins-1 at 2-at 1950m, 2000m, 2d Saint-Cloud Prix de Saint Pair du Mont.

3rd dam

PATISSIMA, by Lightning. Unraced. Sister to **LYPHARITA**, half-sister to Sea Goddess (dam of **BLUSHING RISK MARGI**). Dam of 7 foals, 6 to race, 4 winners, inc:-
PEARL SKY (Kahyasi). 4 wins. See above.
Lapinto. 6 wins from 1500m to 2000m, Deauville Prix du Thenney, Prix des Perrets, Prix de l'Etoile de Brugere, Prix du Mont Pinson, 2d Longchamp Prix de l'Athenee, Deauville Prix de Saint-Vaast en Auge, 3d Longchamp Prix des Celestins.

4th dam

GRACEFULLY, by Lyphard. Winner at 2000m in France. Sister to **Model Girl** (dam of **AROUSAL**), half-sister to **FORWARD LASS**, **Grace Note** (dam of **BELMEZ, DOWLAND**), **River Valley** (dam of **RIVER TEST**). Dam of 11 foals, 8 to race, 5 winners, inc:-
LYPHARITA (Lightning). 4 wins at 1600m, 2100m, 1,827,250fr., Chantilly Prix de Diane, **Gr.1**, 2d Deauville Prix d'Astarte, **Gr.2**, Saint-Cloud Prix Cléopâtre, **Gr.3**, 4th Longchamp Prix d'Isphahan, **Gr.1**, Prix Vermeille, **Gr.1**. Dam of-
Victory Peak. Unplaced. Dam of-
Road Tosky (Elusive City). 2 wins-1 at 2-at 1600m, Rome Premio Bianca Verga, 2d Milan Premio Mantovani, **L**, Premio Coolmore, **L**, Rome Premio Royal Palace, 3d Milan Premio Baggio, **L**, Premio Alberto Zanoletti di Rozzano, Premio Lesa. Dam of-
ROCKY SKY (Rock of Gibraltar). 2 wins at 1m, 1¼m in 2021, Navan Salsabil S., **L**, 2d Dundalk Patton S., **L**.
Sea Goddess. 2 wins at 1800m, 2100m in France. Dam of-
BLUSHING RISK (Take Risks). 3 wins-1 at 2-at 1600m, 2400m, Longchamp Prix du Conseil de Paris, **Gr.2**, Singapore TC Class 1 H., 2d Chantilly Prix Berteux, **Gr.3**, Maisons-Laffitte Prix du Lys, **Gr.3**, Saint-Cloud Prix du Lion d'Angers, **L**, Singapore TC Committee's Prize, 4th Deauville Prix de Reux, **L**.
MARGI (General Holme). 6 wins at 1450m, 1600m, Nantes Grand Prix d'Anjou-Bretagne, **L**, 3d Maisons-Laffitte Prix du Val d'Oise. Producer.
Lypharitissima. Unraced. Dam of-
Generous Diana. 3 wins from 9f to 10¼f, Doncaster RJB Mining Lionheart S., 2d Epsom Sherwood S., 3d Newmarket Fillies' H. Dam of-
DANDINO (Dansili). 9 wins from 1800m to 2700m, £290,177, US\$620,610, A\$916,000, Newmarket Jockey Club S., **Gr.2**, VRC Queen's Cup, **Gr.3**, Kempton September S., **Gr.3**, Arlington Park American St Leger, **L**, Epsom Vincent O'Brien H., Royal Ascot King George V H., Doncaster Totepool a Better Way to Bet H., 2d MRC Caulfield Cup, **Gr.1**, Woodbine Canadian International S., **Gr.1**, Royal Ascot Hardwicke S., **Gr.2**, Newmarket Jockey Club S., **Gr.2**, Goodwood Gordon S., **Gr.3**, Glorious S., **Gr.3**, Geelong Cup, **Gr.3**, Goodwood Tapster S., **L**, Newmarket Fred Archer S., **L**, Arlington Park American St Leger, **L**, 3d Nottingham Further Flight S., **L**, 4th VRC Turnbull S., **Gr.1**, Epsom Coronation Cup, **Gr.1**, Kempton September S., **Gr.3**. Sire.

Race Record : 1 Starts 0-1-0 £4,056.

Placed at 3 in 2021 in GB.

