



DISCLOSURE STATEMENT FORTUNA SYNDICATE NO 133

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, Singapore and Great Britain, with **Mark Walker** being its principal NZ based Trainer and **Donna Logan** its Singapore based Trainer. **Kevin Myers** also trains some NZ based horses for Fortuna, **Anthony and Sam Freedman** train its Melbourne based horses and **Harry Eustace** trains its Great Britain 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"

3. 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

4. Business Plan

- This Syndicate will race just one horse, that being the Two Year Old Filly by DUNDEEL out of VIVI VELOCE
- 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.
- This Filly was acquired at the NZ Bloodstock Sale on 17 November 2022 – she has been transported to Te Akau Stud in the western Waikato where she will spell for 4 to 6 weeks. Once she comes to the end of that spell, 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 Te Akau stable preparation.
- During this preparation Mark will be assessing her and will be building her up to a jumpout and a trial in the Autumn of 2023 – what she shows us during this period will determine whether or not she has a race day start as a 2yo in the Autumn
- Based on her pedigree, physical type and confirmation, her best racing distances are likely to be in the 1400 metre to 2400 metre range
- A strong, well grown filly of good medium size, she presents as a type who may well race as a Two Year Old, but will certainly develop into a strong robust Three Year Old and primary targets for her during her Three Year Old season could be the Classic Three Year Old events such as The NZ 1000 Guineas and the NZ Oaks

5. Bloodstock

(a) Name	No Racing name yet
(b) Breeding (Sire/Dam)	DUNDEEL – VIVI VELOCE
(c) Sex	Filly
(d) Foaling Year	2020 (DOB 30/09/2020)
(e) Microchip number	985125000117456
(f) Brand Marks	GB - 55/0

6. Initial Costs and Expenses

(a) Purchase of Bloodstock		
(i) Purchase Date		17TH November 2022
(ii) Public Auction		NZ Bloodstock Ready to Run Sale
(iii) Cost		NZ\$60,000 (Plus GST)
(b) Breakdown of other Initial Costs		
Promoter Fee		\$ 10,000 plus GST
Marketing Fee		\$ 7,500 plus GST
Sales/Research Fee		\$ 2,500 plus GS
Vet Reports		\$ 900 plus GST
Insurance		\$ 4,200 plus GST
Working Capital		\$ 12,135 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\$5,500

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

7. 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 **\$53,000 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. \$220 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) **\$220 per 5% share**
 - (ii) **1st of each month commencing 1st January 2023**
 - (iii) **03-1557-0246029-011 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

8. 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.

9. Insurance Information

a. Insurer	New Zealand Bloodstock Insurance
b. Term	18th November 2022 to 31st January 2024
c. Value	\$100,000 plus GST if any
d. Type of policy	Death Only

10. Veterinary Report

Dr Doug Black Dated 21st November 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).

11. 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

12. 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

13. 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 if colts are to be gelded)
- g. agistment,

provided those decisions are in the best interests of the Members.

In practice, Members are usually 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 - 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 **\$7,500** 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**
- **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 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 2024 for this syndicate) 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\$12,000 approx**

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 **\$53,000 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 **\$440 per month for a 10% share, \$220 per month per month for a 5% share, \$110 per month for a 2.5% share and \$44 per month for a 1% share. These figures are GST inclusive.** Under normal circumstances the regular monthly payments made by Members (i.e \$220 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 are in NZ\$

Dundeel Filly	#133	Syndicate	
	Amount	GST	Total
Horse Purchase Price (NZ\$)	60000	9000	69000
Promoter Fee	10000	1500	11500
Marketing Fee	7500	1125	8625
Sales/Research Fee	2500	375	2875
Karaka Million Fee	0	0	0
Veterinary fee	900	135	1035
Valuation fee	0	0	0
Insurance	4200	630	4830
Working Capital	12,135	0	12135
Other			
Grand Total	\$97,235	\$12,765	\$110,000
Cost of Share 10%			\$11,000
Cost of Share 5%			\$5,500
Cost of Share 2.5%			\$2,750
Cost of Share 1%			\$1,100

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

Ongoing monthly contributions \$220 pm (per 5% share) commencing 1st January 2023

Finalised by John Galvin on 25th November 2022

PEDIGREE

BAY FILLY

(Branded Foaled 30th September 2020)

(SIRE)	High Chaparral (Ire)	Sadler's Wells	by Northern Dancer
DUNDEEL		Kasora	by Darshaan
	Stareel.....	Zabeel.....	by Sir Tristram (Ire).....
		Staring.....	by Fiesta Star.....
(DAM)	More Than Ready (USA).	Southern Halo	by Halo.....
VIVI VELOCE		Woodman's Girl.....	by Woodman
2010	Royal Sash	Royal Academy (USA)	by Nijinsky
		Flurry's Autumn.....	by Southern Appeal (USA)

DUNDEEL (NZ) (Bay 2009-Stud 2014). 10 wins-1 at 2, ATC Queen Elizabeth S., Gr.1. Sire of 363 mrs, 225 wns, 18 SW, inc. Yourdeel - Mini Force X (Sing.) (ARC Diamond S., Gr.1), Castelvechio, Super Seth, Atyaab, Truly Great, Global Exchange - Enjoying (H.K.), Let'srollthedice, Victoria Quay, The Inevitable, Entente, Hope in Your Heart, Irukandji, She's Ideal, Ain'tnodeeldun, Cerberus, Purrfect Deal, Cutadeel, Transact, SP Elliptical, Aquacade, etc.

1st Dam

VIVI VELOCE, by *More Than Ready (USA)*. **Winner** at 2, A\$120,120, SAJC National S., **Gr.3**, 2d VRC Ken Cox H., 3d SAJC Queen of the South S., **Gr.2**. Half-sister to **SABATINI, Just Been Lucky**. This is her fifth foal.
Dam of 2 foals to race, **both winners**-
Pieloce (*f by Pierro*) **Winner** at 1300m, 2d BRC Sky Racing H.
Ugly Nicos (*g by Fastnet Rock*) **Winner** at 1400m in Aust.

2nd Dam

ROYAL SASH, by *Royal Academy (USA)*. **6 wins** at 1200m, 1400m, A\$281,850, MRC Mannerism S., **Gr.3**, Reba Anderson H., MVRC Tony Hodgson H., Strathayr H., 2d MRC WW Cockram S., **L**, Geoffrey Bellmaine S., **L**. Half-sister to **Bronc, Flurry's Gem** (dam of **TOLUKA - POWER OF KHAN (MAL.)**). Dam of 8 foals, all raced, **6 winners**, inc:-
SABATINI (*f Street Cry*) **5 wins** to 1400m, A\$479,675, MRC Angus Armanasco S., **Gr.2**, Quezette S., **Gr.3**, Kevin Hayes S., **Gr.3**, Le Pine Funerals H., 2d VRC AV Kewney S., **Gr.2**, MRC Geoff Murphy H., 3d MRC Thousand Guineas, **Gr.1**, VRC Cap d'Antibes S., **L**.
VIVI VELOCE (*f More Than Ready*) **Winner**. See above.
Just Been Lucky (*f Encosta de Lago*) **4 wins** to 1200m, A\$159,800, AJC Rising Star NSW Apprentices H., Members' Terrace H., BRC Madison Cleaning Services H., 2d GCTC Silk Stocking H., **L**, STC Theraces.com.au H., 3d BRC Bright Shadow H., **L**, Qld Tatt's RC Southbank Insurance Brokers H., BRC Normanby Hotel H., Subiaco Hair P. Producer.
Spurs and Sashes. **5 wins** at 1200m, 1400m, 3d ATC Tab.com.au H., BRC Mount Franklin Sparkling H. Dam of 3 winners-
Heritage Sash. **5 wins** at 1000m, 1200m, A\$145,141, to 2021-22, SCTC Sky Racing P., 2d BRC Turner Freeman Lawyers H., Gallopers Sports Club H., TAB Venue Mode H., GCTC Feature Race Day P., 3d BRC Kirin H., GCTC Cooper Reeves P., Darby McCarthy P., Ipswich TC TAB H., Somerset Funerals P., SCTC Access Insulation P.
There You Are. **5 wins** at 1200m, 1300m, A\$116,145 in Aust.

3rd Dam

Flurry's Autumn, by *Southern Appeal (USA)*. **Winner** at 2, SAJC Adelaide Casino 2YO H., 2d SAJC Breeders S., **Gr.2**, 3d SAJC Queen Adelaide S., **L**, Balcrest S., **L**. Half-sister to **LAKE VILLA, Birdbrain**, Madame Flurry (dam of **HAPPY TRAILS, DANISH TWIST, ALL TOO HUIYING, HEART OF A LION**). Dam of 8 foals, 7 to race, **all winners**, inc:-
ROYAL SASH (*f Royal Academy*) **6 wins**. See above.
Bronc (*g Distorted Humor*) **5 wins** to 1200m, 3d VRC Rory's Jester P., **Gr.3**, MRC Club 2YO P., MVRC Garfinkle H.
Flurry's Gem (*f Perugino*) **5 wins** to 1250m, A\$159,000, SAJC Contract Engineering Flying H., MVRC Rosemount Estate Diamond Chardonnay H.,

