



DISCLOSURE STATEMENT FORTUNA NO 142 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 **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 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"

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 2yo Colt by Mastercraftsman out of Trikala – yet to be officially names he has been allocated the Stable Name "Frankie"
- 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
- Frankie was acquired at the Irish Tattersalls Goresbridge Breeze Up Sale on 26th May 2022 – now shipped to England where he will join the barn of Newmarket based Trainer, Harry Eustace and come into work around end of June
- Harry will prepare him for race day assignments as an Autumn 2yo with a plan for him to make his race day debut in October/November 2023 towards the end of his 2yo year. Based on his pedigree, physical type and conformation, his best distances are likely to be in the 1600 metre to 3200 metre range
- A May 2021 foal (Norther Hemisphere bred), Frankie has developed into a strong, well grown Colt of medium size and presents as a type who could perform well at a Mile as a 2yo, but has the scope and depth to mature into a quality Three Year Old and older staying type.
- 3yo targets for this Colt would be races like the Irish and UK 2000 Guineas run in May 2024 over one Mile and the Irish and Epsom Derbies run over a Mile and a Half in June 2024 – these are ambitious targets aimed for by the Trainers and Ownership Groups of any nice 3yo Staying types, however there are innumerable lead up races along the way that provide assessment as to the quality and ability of the participants.
- If not up to Guineas od Derby Class, there are several sideways options and in September/October of 2024, depending on what he had shown us on the track, we could make a decision to bring him down to be trained in Australia for staying events "down under" and would join Mark Walker's stable at Cranbourne in Victoria

4. Bloodstock

(a) Name	Unnamed
(b) Breeding (Sire/Dam)	Mastercraftsman – Trikala
(c) Sex	Colt
(d) Foaling Year	2021 (Foaling Date 06 May 2021)
(e) Microchip number	985101045363971
(f) Brand Marks	N/A

5. Initial Costs and Expenses

(a) Purchase of Bloodstock		
(i) Purchase Date		26th April 2023
(ii) Public Auction		Tattersalls Goresbridge Breeze Up Sale
(iii) Cost		32,000 Euros (approx NZ\$60,000)
(b) Breakdown of other Initial Costs		
Promoter Fee		\$10,000 plus GST
Marketing and Promotion		\$ 7,500 plus GST
Research/Inspect/Buying Fee		\$ 2,800 no GST
Vet Reports		\$ 1,250 plus GST
Insurance		\$ 2,600 no GST
Working Capital		\$ 13,785 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	\$5,000

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

6. 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 exclusive of VAT 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 August 2023 |
| (iii) | 03-1557-0246029-020 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

7. 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.

8. Insurance Information

- | | |
|-------------------|---------------------------------------|
| a. Insurer | AJG Insurance |
| b. Term | 26 May 2023 to 10 April 2024 |
| c. Value | Euro 32000 (NZD 60,000 approx) |
| d. Type of policy | Death Only |

9. Veterinary Report(s)

Dr Thomas Hore – Dated 26th May 2023

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.
 - (iv) 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/Great Britain 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 **\$7,500 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 \$2,800 no 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\$690 no GST approx**
- **Bloodstock Insurance.** The cost of this is **2.6% No GST** of the value of the Bloodstock and is paid annually 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\$13,785**

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 **NZ\$45,000 per annum** exclusive of VAT if any
- **Fortuna Ltd Administration fee.** This fee is **\$380 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 **\$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 in NZ\$

Mastercraftsman Colt	#142	Syndicate	
	Amount	GST	Total
Horse Purchase Price	60000	0	60000
Promoter Fee	10000	1500	11500
Marketing Fee	7500	1125	8625
Sales/Research Fee	2800	0	2800
Veterinary fee	600	90	690
Insurance to 31 Jan 2023	2600	0	2600
Working Capital	13785	0	13785
Grand Total	97285	2715	100000
Share 10%			10000
Share 5%			5000
Share 2.5%			2500
Share 1%			1000

20 shares (each share 5%) @ \$5,000. (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 August 2023

Finalised by John Galvin on 20th June 2023

PEDIGREE

BAY COLT (IRE)

(Branded Foaled 6th May 2021)

(SIRE)	Danehill Dancer	Danehill (USA)	by Danzig	
MASTERCRAFTSMAN .	Mira Adonde	Mira Adonde	by Sharpen Up	
	Starlight Dreams	Black Tie Affair	by Miswaki	
		Reves Celestes	by Lyphard	
(DAM)	High Chaparral	Sadler's Wells	by Northern Dancer	
TRIKALA		Kasora	by Darshaan	
	2011	Thiella	Kingmambo	by Mr. Prospector
			Theoretically	by Theatrical

MASTERCRAFTSMAN (IRE) (Grey 2006-Stud 2010). 7 wins-4 at 2, Irish Two Thousand Guineas, Gr.1. Sire of 1479 mrs, 921 wns, 96 SW, inc. The Grey Gatsby (Chantilly Prix du Jockey Club, Gr.1), Alpha Centauri, A Raving Beauty, Ya Primo, Amazing Maria, Kingston Hill, Danzdanzdance, Technician, Reina de Mollendo, Thee Auld Floozie, Off Limits, Saint Emilion, Ojo del Milagro, Bamb Craí, Discoveries, Reine de Arabie, Cambridge, Valley Girl, etc.

1st Dam

TRIKALA, by *High Chaparral*. Placed at 2 in Ireland. Half-sister to **MOOHAAJIM**. This is her fourth foal. Dam of 3 foals to race, inc:-

Trolius (*g by Cape Cross*) **4 wins**-3 at 2-from 1450m to 1750m in GB and U.A.E, 3d Ascot Chapel Down S.

Tika Moon (*g by Casamento*) Placed in GB.

2nd Dam

THIELLA, by *Kingmambo*. **2 wins**-1 at 2-at 7f, 1m in Ireland and U.S.A. Half-sister to **NIAGARA CAUSEWAY**. Dam of 10 foals, 8 to race, **6 winners**, inc:-

MOOHAAJIM (*c Cape Cross*) **2 wins** at 2, £85,670, €10,010, Newbury Mill Reef S., **Gr.2**, Ascot Crocker Bulteel 2YO S., 2d Newmarket Middle Park S., **Gr.1**, 3d Newbury Greenham S., **Gr.3**. Sire.

Ignorance is Bliss. **5 wins** from 1300m to 1600m to 2022 in India.

Trevelyan. **4 wins** at 1200m, 1400m in India.

Braxton. **2 wins** at 1200m, 1400m to 2023 in India.

Consul General. **Winner** at 1200m in India.

Gabriella. **Winner** at 2 in India.

3rd Dam

THEORETICALLY, by *Theatrical*. **Winner** at 2, £6,228, US\$100,000, Curragh Park S., **Gr.3**, 2d Del Mar Oaks, **Gr.1**, 3d Keeneland Queen Elizabeth II Challenge Cup, **Gr.1**, Leopardstown One Thousand Guineas Trial, **L**, 4th Leopardstown Silver Flash S., **L**, Cork Platinum S., **L**. Half-sister to **CUDAS**, **RIVER MIKE**, **Fasta**, **Malmo**, Princess of Tides (dam of **VITALINA**, **BUCAREST**). Dam of 4 foals, all raced, **2 winners**, inc:-

NIAGARA CAUSEWAY (*c Giant's Causeway*) **4 wins** from 8½f to 1½m, US\$255,567, Santa Anita Tokyo City H., **Gr.3**, Churchill Downs Allowance, 2d Hollywood Park Cinema H., **Gr.3**, 4th Santa Anita San Marcos S., **Gr.2**. Sire.

Opinionated. Raced once. Dam of 3 winners-

Grace and Danger (*f Teofilo*) **Winner** at 2, 2d Windsor August S., **L**, 3d Chester Stand Cup, **L**, 4th Chester Cheshire Oaks, **L**, Bath Beckford S., **L**.

4th Dam

ASPERN, by *Riverman*. Raced twice. Three-quarter-sister to Lerida (dam of **BELLARIDA**), half-sister to **VILAGRO**, **Princesse Kathy** (dam of **ATHYKA**), Belisonde (dam of **BARTEX**). Dam of 10 named foals, 9 to race, **all winners**, inc:-

CUDAS (*c Seattle Song*) **4 wins**-1 at 2-from 1800m to 2100m, 1,391,600fr., US\$133,208, Longchamp Prix Lupin, **Gr.1**, Churchill Downs Turf Classic S., **Gr.3**, Longchamp Prix de Suresnes, **L**, 3d Chantilly Prix du Jockey Club, **Gr.1**, Keeneland Fort Harrod S., **Gr.3**.