



DISCLOSURE STATEMENT

FORTUNA MOHAWK SYNDICATE NO 109

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 Two Year Old Gelding named "Mohawk"
- 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.
- Mohawk will agist in New South Wales while awaiting to travel to New Zealand – timing of that travel is scheduled for early March 2021 – on arrival in NZ, he will travel to Matamata where he will be in the care of our NZ Trainer, Jamie Richards of Te Akau Racing Stables
- Jamie will put him in to work and aim to have him go his first NZ trial in early May – depending on how Jamie assesses Mohawk at that time, he could either press onto a race day as a late Autumn 2yo or be put aside for a paddock spell and then be bought back into work and prepared for the early Spring trials as a 3yo and then be aimed at the Spring/Summer and Autumn 3yo races in NZ and, if good enough, Australia
- Based on his pedigree and confirmation, his best distances are likely to be in the 1000 metre to 1800 metre range

4. Bloodstock

- | | |
|----------------------|---------------------------------------|
| (a) Name | Mohawk |
| Breeding (Sire/Dam) | Extreme Choice – Ben’s Duchess |
| (b) Sex | Gelding |
| (c) Foaling Year | 2018 (DOB 17/08/2018) |
| (d) Microchip number | 985100012151952 |
| (e) Brand Marks | Left - N - Right - 9/8 |

5. Initial Costs and Expenses

- | | | |
|--------------------------------------|--|---|
| (a) Purchase of Bloodstock | | |
| (i) Purchase Date | | 13th January 2021 |
| (ii) Public Auction | | Inglis Digital Sale |
| (iii) Cost | | A\$65,000 plus NZ GST on entry to NZ |
| (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 | | \$ 800 no GST |
| Insurance | | \$ 3,200 plus GST |
| Working Capital | | \$ 9,175 no GST |
| Travel to NZ | | \$ 6,000 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\$6,200

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. \$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 2021 |
| (iii) | 03-1557-0229077-017 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 | 18 January 2021 to 31st January 2022 |
| c. Value | \$80,000 Including GST |
| d. Type of policy | Death Only |

8. Two Valuation Reports

- | | |
|--------------------|----------------------------------|
| a. Adrian Clark | 20 January 2021 A\$65,000 |
| b. Michael Wallace | 20 January 2021 A\$65,500 |

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 Ramiro Pellegrini of Hawksbury Veterinary Clinic, NSW – Dated 11th January 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.

Jockey Opie Bosson 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 Fortuna/ Te Akau. **Fee is \$2,500 plus GST.**
- **Transport to NZ Fee.** This covers the costs of shipping - **\$6,000 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 **\$800 no 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 **\$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)

SCHEDULE ONE – SUMMARY OF INITIAL COSTS

Mohawk	#109	Syndicate	
	Amount	GST	Total
Horse Purchase Price	71000	10650	81650
Promoter Fee	10000	1500	11500
Marketing Fee	7500	1125	8625
Sales/Research Fee	2500	375	2875
Veterinary fee	800		800
Valuation fee	300	45	345
Insurance to 31 Jan 2022	3200	480	3680
NZ Transport	6000	480	6480
Working Capital	8045	0	8045
Grand Total	109345	14655	124000
Share 10%			12400
Share 5%			6200
Share 2.5%			3100
Share 1%			1240

20 shares (each share 5%) @ \$6,200. (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 2021

Finalised by John Galvin on 20th January 2020

Pedigree

MOHAWK (AUS)

Chestnut colt

Foaled 2018

(SIRE)	Not a Single Doubt	Redoute's Choice.....	by Danehill (USA)
EXTREME CHOICE		Singles Bar.....	by Rory's Jester.....
	Extremely.....	Hussonet (USA).....	by Mr. Prospector
		Going to Extremes (USA)	by Nasty and Bold.....
(DAM)	Munnings.....	Speightstown.....	by Gone West.....
BEN'S DUCHESS (USA)		La Comete.....	by Holy Bull.....
2012	Armathwaite	Sky Classic.....	by Nijinsky
		Foolish Beauty.....	by Foolish Pleasure.....

EXTREME CHOICE (AUS) (Chestnut 2013-Stud 2017). 4 wins-3 at 2-at 1000m, 1200m, A\$1,736,250, MRC Blue Diamond S., Gr.1, MVRC AJ Moir S., Gr.1, MRC Chairman's S., Gr.3, ATC Inglis Nursery, RL, 3d MRC Oakleigh P., Gr.1. Brother to SP Raise No Doubt (3d Singapore TC Garden City Trophy, L). Grandson of SW Going to Extremes (Woodbine Royal North H., L). Same family as SW Fleet Shoe, etc. Sire of SP Extreme Warrior and of Abseiler, Tiger of Malay, Palamos and of the placegetters Chameleon Choice, etc. His oldest progeny are 2YOs.

1st Dam

BEN'S DUCHESS (USA), by *Munnings*. **4 wins**-1 at 2-to 6½f, US\$265,311, Santa Anita LA Woman S., **Gr.3**, 2d Santa Anita Las Flores S., **Gr.3**, Del Mar CERF S., **L**, 3d Santa Anita Santa Paula S., **L**, Angel's Flight S., **L**, 4th Santa Anita La Brea S., **Gr.1**. Half-sister to **Figure**. Dam of 1 named foal.

2nd Dam

ARMATHWAITE, by *Sky Classic*. Unraced. Three-quarter-sister to So Unusual (dam of **HAITIAN VACATION**), half-sister to **SHAREEFA** (dam of **VERGENNES**). Dam of 10 foals, all raced, **7 winners**, inc:-

BEN'S DUCHESS (*f Munnings*) **4 wins**. See above.

Figure (*f Overanalyze*) **3 wins** at 6f, 1m, US\$82,290, to 2020, 3d Sunland Park Borderplex S., **L**, 4th Sunland Park Oaks, **L**.

Low Expectations. **6 wins**-1 at 2-to 6½f in U.S.A.

Lion Next to You. **2 wins** at 6½f, 8¼f in U.S.A.

Lioninmyarms. **Winner** at 6f in U.S.A.

Spunky Princess. **Winner** at 1m in U.S.A.

Sardonicus. **Winner** at 2 in Canada.

3rd Dam

FOOLISH BEAUTY, by *Foolish Pleasure*. **Winner** at 2 in U.S.A. Half-sister to

NIJINSKY'S SECRET, **Dancing Secret**, **Secret Call**, Nijinsky's Beauty (dam of **BLOND MOMENT**). Dam of 11 foals, 8 to race, **3 winners**, inc:-

SHAREEFA (*f Fabuleux Dancer*) **6 wins** at 8½f, US\$287,630, Louisiana Downs Marie P Debartolo Memorial Oaks, **L**, Woodbine Victoriana S., **L**, Aqueduct Allowance-twice, Belmont Allowance, 2d Saratoga Nijana S., **Gr.3**, Belmont Cathy Baby S., **L**, Woodbine La Prevoyante S., **L**. Dam of 3 winners-

VERGENNES (*g Dynaformer*) **11 wins** from 1m to 11f, US\$772,334, Hollywood Derby, **Gr.1**, Belmont Jamaica H., **Gr.2**, Remington Park Edward J Debartolo Sr Memorial H., **L**, Belmont Allowance, Aqueduct Allowance, 2d Saratoga National Museum of Racing Hall of Fame S., **Gr.2**, Churchill Downs River City H., **Gr.3**, 3d Belmont Lawrence Realization H., **Gr.3**, 4th Hollywood Turf Cup, **Gr.1**, Belmont Breeders' Cup H., **Gr.2**, Gulfstream Park Canadian Turf H., **Gr.3**, Saratoga Saranac S., **Gr.3**, Sam Houston Park John B Connally Turf H., **L**.

So Unusual. Raced once. Dam of 6 winners-

HAITIAN VACATION (*f Petionville*) **3 wins**-2 at 2-at 1m, 9f, US\$151,653, Laurel Selima S., **L**, 3d Santa Anita Blue Norther H., **L**, 4th Monmouth Reeve Schley Jr S., **Gr.3**, Hialeah Patricia S., **L**, Golden Gate California Oaks, **L**. Dam of 4 winners-

Palacio de Amor (*f Dixieland Band*) **Winner** at 2, US\$145,180, 2d Del

