



DISCLOSURE STATEMENT

FORTUNA MATARIKI BREEDING 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, 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"

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 own just one horse, that being the retired Two Year Old Filly, MATARIKI by Reliable Man out of Conferre
- The objectives of the Syndicate are to send Matariki to suitable commercial stallions, get her in foal and then sell the progeny at appropriate Weanling or Yearling Sales
- Matariki is currently completing her rehab period after sustaining substantial injury to her near hind leg in a paddock accident at Te Akau Stud in the middle of 2022 – she is currently agisting at the property of George and Maryanne Simon at Matangi in the Waikato
- She is sound on her leg, is out in the paddock, in good condition and with a great appetite – on completing her rehab at the Simon's she will move to another agistment property at Morrinsville in the Waikato, Seaton Park, a specialist broodmare operation, owned and run by Scott Eagleton
- In May or June of 2023, a stallion choice will be made by the Syndicate Manager after consultation with the Syndicate Management Committee (consisting of John Galvin and two Syndicate Members)
- Once born, syndicate progeny will be cared for to the highest standards and then prepared for sale with proceeds returned to Syndicate Members after meeting expenses and allowing provision for ongoing working capital

4. Bloodstock

- | | | |
|-----|---------------------|--|
| (a) | Name | Matariki |
| (b) | Breeding (Sire/Dam) | Reliable Man - Conferre |
| (c) | Sex | Mare |
| (d) | Foaling Year | 2020 (Foaling Date 3 Sept 2020) |
| (e) | Microchip number | 985125000117543 |
| (f) | Brand Marks | Near Shoulder G/H – Off Shoulder 55/0 |

5. Initial Costs and Expenses

- | | | |
|-------|----------------------------------|-------------------------|
| (a) | Purchase of Bloodstock | |
| (i) | Purchase Date | 01 December 2022 |
| (ii) | Private Transfer | |
| (iii) | Cost | Zero |
| (b) | Breakdown of other Initial Costs | |
| | Working Capital | \$ 3,000 |
| | 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 | \$150 |

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) Agistment, Insurance, Stallion Service Fees, Veterinary Care, foal agistment, Sales Preparation Fees. Estimated Annual Costs are \$30,000 per annum

- (b) Members will be required to meet all ongoing costs associated with agisting, breeding 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. **\$125 per month per 5% share**) to the Syndicate, should cover all expenses associated with 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) | \$125 per 5% share |
| (ii) | 1st of each month commencing 1st January 2023 |
| (iii) | 03-1557-0246029-012 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.

7. Insurance Information

a. Insurer	New Zealand Bloodstock Insurance
b. Term	1 December 2022 to 31st January 2024
c. Value	\$20,000
d. Type of policy	Death Only

8. 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

9. Standard Industry Risks

(a) Breeding

- (i) Broodmares can have fertility issues.
- (ii) Progeny may be deformed or otherwise unsuitable to be offered for sale. \
- (iii) Sales markets can be fickle and

(b) Special Risks or factors attaching to this Offer.

There are none

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.

- Net proceeds from sale of progeny will be allocated to Members on a pro rata basis once received. On occasions, some sales proceeds 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
- Members will receive regular and timely written updates on all aspects of their horse's breeding programme.
- 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.

Manager's Powers and Functions

The functions of the Manager are to 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 Breeding programme including choice of Stallion
 - b. veterinary treatment
 - c. agistment,
- provided those decisions are in the best interests of the Members.

In practice, Members are consulted with and advised on the points above.

And with this Syndicate, the choice of Stallion will be made by the Manager after consultation with the Syndicate Management Committee

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 calling him 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:

- **Bloodstock Insurance.** The cost of this is **3.4%** plus GST of the value of the Bloodstock and is paid annually in advance – in this syndicate first period of cover is 01 December 20122 to 31 January 2024
- **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 **\$3,000**. This capital remains the property of the Syndicate and its Members.

Ongoing Costs and Fees

- **All costs associated with the agistment, breeding and Administration of the Syndicate Bloodstock.** While the annual total of ongoing fees will vary to some degree depending on circumstances, a good indicative figure is approximately **\$30,000 per annum** inclusive of GST
- **Fortuna Ltd Administration fee.** This fee is **\$200 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 **\$250 per month for a 10% share, \$125 per month per month for a 5% share, \$62.50 per month for a 2.5% share and \$25 per month for a 1% share - These figures are GST inclusive.** Under normal circumstances the regular monthly payments made by Members 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)**

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)

PEDIGREE

GREY FILLY

Foaled 3rd September 2020

Sire	Dalakhani	Darshaan Shirley Heights
RELIABLE MAN (GB)		Daltawa Miswaki
2008	On Fair Stage	Sadler's Wells Northern Dancer
		Fair Salinia Petingo
Dam	Encosta de Lago	Fairy King Northern Dancer
CONFERRE (AUS)		Shoal Creek Star Way
2008	Confer	Danehill Danzig
		Shackle Luskin Star

RELIABLE MAN (GB) (Grey 2008-Stud 2013). 5 wins from 2000m to 2400m, Chantilly Prix du Jockey Club, Gr.1. Leading First Season Sire in Germany in 2017. Sire of 552 mrs, 300 wnrs, 18 SW, inc. Miami Bound (VRC Oaks, Gr.1), Inspirational Girl, Miss Sentimental, Hypnos, Akribie, Reliable Team, Belle du Nord, Erasmus, Adrian, Annavisto, Ardakan, De la Terre, Kinane, Narella, Quiet Times, Naida, Ernesto, Main Stage, SP Ariolo, Benaud, etc.

1st dam

CONFERRE, by Encosta de Lago. 4 wins-1 at 2-from 1400m to 2400m, MVRC Alternate Railway H. Three-quarter-sister to **Tremezzo** (dam of **TESTAMEZZO**), half-sister to **Nite Rocker**. This is her sixth foal. Dam of five foals to race, two winners, inc:-
Landry (g. by El Roca). 2 wins at 1400m to 2021-22, Otaki Maori RC Aquashield Roofing H., 2d Rotorua RC Dunstan Qualifier H.
Gold Runner (g. by Medaglia d'Oro). Winner at 1000m in Aust.
Danelyn (f. by Sepoy). Placed at 2 & 3, 3d Waikato RC Team Wealleans 2YO H.

2nd dam

Confer, by Danehill. Placed, A\$161,870, 2d AJC Surround S., **Gr.2** STC Magic Night S., **Gr.2**, Sweet Embrace S., **Gr.3**, Bravery 2YO H., VATC Swinburne International H., 3d AJC Flight S., **Gr.1**, VRC Wakeful S., **Gr.2**, AJC Silver Shadow S., **Gr.2**, 4th VRC Oaks, **Gr.1**, STC Tea Rose S., **Gr.2**. Half-sister to **Arrest**. Dam of 16 named foals, 15 to race, 8 winners, inc:-
Nite Rocker (More Than Ready). 5 wins to 1400m, A\$187,500, SAJC Adelaide Galvanising H., Jims Window Cleaning H., Melbourne Cup Live Racing H., Thomas Farms H., 2d SAJC Durbridge S., **L**, ATC McGrath Estate Agents H., MVRC Mitchelton Wines P., 3d BRC Sprint H., **Gr.3**.
Conferre. 4 wins. See above.
All the Goss. 3 wins at 1200m, 1400m, MRC Premier Signs P. Dam of-
Idle Chat. 4 wins to 1100m, A\$103,140, Clarence River JC Sir James Kirby Quality H., 2d ATC TAB Iphone App H., BRC Mitavite H. Producer.
Red Impact. Winner at 1650m in 2020-21, HKJC Hau Tak H., 2d HKJC Foshan H., Hanshin H., 3d HKJC Uranus H., Tsz Wan Shan H.
Lumberjack. Winner at 1400m, 3d ATC TAB Rewards H.
Cast Your Vote. Winner at 2300m in Aust. Dam of-
Stocked and Loaded. Winner at 2200m in 2021-22, GCTC Burleigh Bowls P., 2d BRC Cascade P., Mullins Lawyers H., 3d BRC Millers Swim School H.
Vibe. Placed at 2 & 3, 3d VRC Flemington Hill Stand 2YO H. Dam of-
Vibrant Moss. 3 wins at 1200m, ARC Celebrating Baker Racing H., Farewell to Ross Hawthorn H., 2d Marton JC Coombe Smith Rangitikei 2YO H., ARC Coca-Cola H., 3d BOP RC New Zealand Bloodstock Insurance Pearl Series H., ARC Laser Plumbing Te Puke H., Rotary H., BOP RC Seeka Kiwifruit Industries H. Producer.

3rd dam

SHACKLE, by Luskin Star. 4 wins-1 at 2-from 1000m to 1600m, A\$180,260, VATC Tranquil Star S., **Gr.3**, VRC Dalgety Bloodstock S.H., **L**, VATC Heath S.H., **L**, SAJC Panamint H., 2d VRC Oaks, **Gr.1**, Australasian Oaks, **Gr.1**, VRC Edward Manifold S., **Gr.2**, 3d VATC One Thousand Guineas, **Gr.1**. Dam of 14 named foals, 11 to race, 6 winners, inc:-
Arrest (Marauding). Winner at 2, AJC Sledmere 2YO H., 3d ACT RC Black Opal S., **Gr.2**, 4th STC Magic Night S., **Gr.2**. Producer.
Confer (Danehill). Placed. See above.
Merge - Amazing Force (Mac.). 7 wins-1 at 2-to 1400m in Aust. and Macau, Macau Chong San H., New Zealand Trophy, Hong Kong Reunification Cup, VATC Blazing Saddles 2YO H.
Draft. Winner at 1000m, MVRC Melba H. Dam of-
Tremezzo (Encosta de Lago). 5 wins from 1300m to 2000m, A\$160,980, MRC Sir Blink H., 2000m-in track record time, Tullia H., Lady Medallist H., 2d VRC Ritzenhoff H., MRC Mal Seccul H., 3d SAJC Tokyo City Cup, **L**, MRC Belhaven H., Brian Green H., MVRC Gillies Famous Pies H., MRC Swell Time H., 4th SAJC Birthday Cup, **L**. Dam of-
TESTAMEZZO (Testa Rossa). 7 wins-2 at 2-to 1500m, A\$377,347, WATC Magic Millions Perth 3YO Trophy, **RL**, Raconteur S., **L**, Stef Mangan Racey Ladies H., Margaret River Wine Region 2YO H., Appleton Estate Sprint H., Perthracing.org.au H., 2d WATC Colonel Reeves S., **Gr.3**, Bunbury TC Western Australian Breeders' Classic, **L**, WATC Network Aviation Sprint H., 3d WATC Tabtouch Sprint H., 4th WATC Winterbottom S., **Gr.1**, AJ Scahill S., **Gr.3**.
Tied Up. Unraced. Dam of-
In a Tangle (Bradbury's Luck). 3 wins-1 at 2-to 1350m, A\$116,150, BRC Sky Racing H., 2d Gold Coast Bracelet, **L**.

SUMMARY OF INITIAL EXPENSES

20 shares (each share 5%) @ \$150

(Note that the Manager has the discretion to issue shares in parcels smaller than 5%)

**Ongoing monthly contributions \$125 pm (per 5% share) commencing 1st January
2023**

Finalised by John Galvin on 20th December 2022

Financial Projection 1 January 2023 to early 2026

Note that these figures are projected estimates only and while these estimates are based on reasonable assumptions, actual figures may vary

Year One 01/01/2023 to 31/12/2023

Dry Mare Agist 12 months	8000
Service Fee	15000
Insurance	800
Vet etc	1000
Management	2760
Total	27560

Year 2 01/01/24 to 31/12/24

Dry Mare Agist 8 months	5500	
Wet Mare Agist 4 months	3000	25pd
Service Fee	15000	
Insurance	800	
Vet etc	2000	
Management	2760	
Total	29060	

Year 3 01/01/25 to 31/12/26

Mare Agist foal at Foot 4 months	3000
Dry Mare Agist 8 months	5500
Weanling Agist 8 months	6000
Wet Mare agist 4 months	3000
Service Fee	15000
Insurance	1500
Vet etc	2000
Management	2760
Total	38760

3 Year total **95380**

Yearling Prep/Sales Fee Jan 2026 5000

Net Sales Proceeds returned to Syndicate account
and distributed to Members