



DISCLOSURE STATEMENT FORTUNA SYNDICATE NO 120

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 Two Year Old Gelding by Darci Brahma out of Ujjayi – no racing name yet, but has been assigned stable name "DB".
- 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.
- DB was acquired at the recent NZ Bloodstock Ready To Run Sale and, presenting as a Three Year Old Type, he has been sent to the paddock at Te Akau Stud for an eight week spell to allow him time to develop and mature.
- On completion of this spell DB will be transported to the Te Akau Racing Stables at Matamata where he will commence an initial stable preparation in the hands of Jamie Richards – Jamie will work him up to fitness, give him a jumpout or two, then a trial and from there assess ongoing plans.
- If in Jamie's opinion, he was forward enough to have a start or two as a 2yo, then that would eventuate – if alternatively, Jamie was of the opinion that he should have further time in the paddock then that would happen and DB would return to the stables, say mid June, to commence a preparation aimed at his 3yo Season.
- Presenting as a type who looks to be a natural runner as a 3yo, DB's preparation as a 3yo would be aimed at the "Classic" 3yo races throughout the 2022/23 season
- DB's best racing distances, based on his type and pedigree, would appear to be in the 1400m to 2000m range

4. Bloodstock

(a) Name	No Racing name yet, but nicknamed "DB"
(b) Breeding (Sire/Dam)	Darci Brahma – Ujjayyi
(c) Sex	Gelding
(d) Foaling Year	2019 (DOB 22/08/2019)
(e) Microchip number	985125000071174
(f) Brand Marks	HF - 101/9

5. Initial Costs and Expenses

(a) Purchase of Bloodstock	
(i) Purchase Date	17th November 2021
(ii) Public Auction	NZB Ready To Run Sale
(iii) Cost	S\$60,000 Plus GST
(iv)	
(b) Breakdown of other Initial Costs	
Promoter Fee	\$ 10,000 plus GST
Marketing Fee	\$ 7,500 plus GST
Sales/Research Fee	\$ 2,500 plus GST
Valuations	\$ 300 plus GST
Vet Reports	\$ 600 plus GST
Insurance	\$ 3,200 plus GST
Working Capital	\$ 13,375 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%

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) **03-1557-0229077-028 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	17th November 2021 to 31 st January 2023
c. Value	\$90,000 plus GST if any
d. Type of policy	Death Only

8. Two Valuation Reports

a. Steve Davis	1 st December 2021 \$60,000
b. Marcus Corban	1 st December 2021 \$60,000
c.	

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@nzhorse.co.nz).

9. Veterinary Report(s)

Dr Doug Black **Dated 24th November 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@nzhorse.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

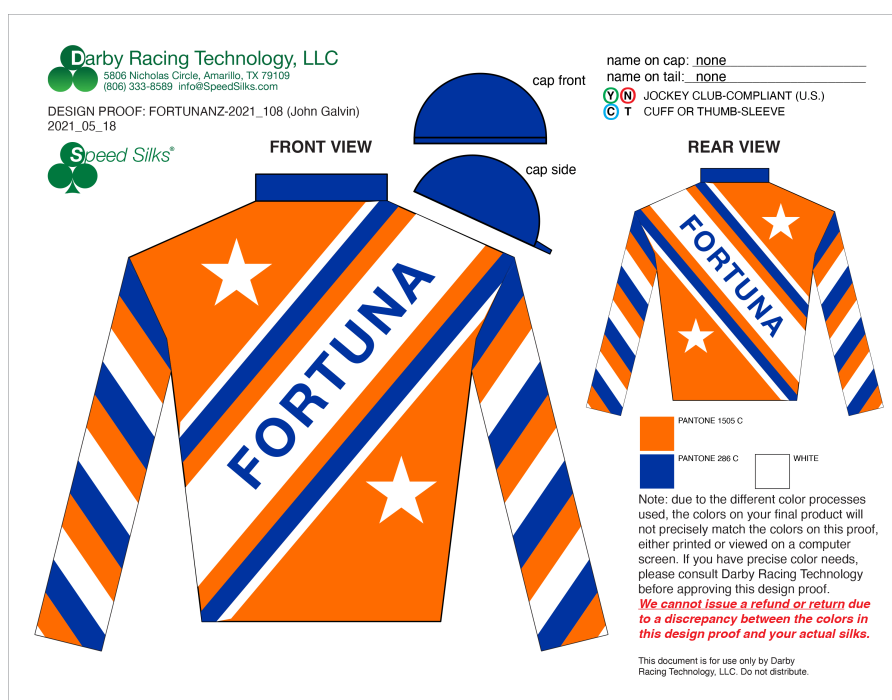
- The Syndicate Agreement which governs the Syndicate is attached

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 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 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 **\$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 for this syndicate**
- **Transport – there is no transport cost**
- **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\$600 plus 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
- **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 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 **\$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

Shane	#120	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
		0	0
Veterinary fee	600	0	600
Valuation fee	300	45	345
	0	0	0
Insurance to 31 January 2022	3200	480	3680
Working Capital	13,375	0	13375
Other			
Grand Total	\$97,475	\$12,525	\$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 \$200 pm (per 5% share) commencing 1st April 2022

Finalised by John Galvin on 1st December 2021

PEDIGREE

BAY GELDING

Foaled 22nd August 2019

Sire	Danehill	Danzig.....Northern Dancer
DARCI BRAHMA		Razyana.....His Majesty
2002	Grand Echezeaux	Zabeel.....Sir Tristram
		Richebourg.....Vice Regal
Dam	Ilfraaj	Zafonic.....Gone West
UJJAYYI		Pastorale..... Nureyev
2014	Indian Sky	Stravinsky..... Nureyev
		Indian Dream.....Indian Ridge

DARCI BRAHMA (NZ) (Bay 2002-Stud 2007). 10 wins-4 at 2, New Zealand Two Thousand Guineas, Gr.1, Leading NZ Sire of 3YOs 2015-16 & 2019-20, Sire of 697 mrs, 506 wms, 53 SW, inc. Catalyst (New Zealand Two Thousand Guineas, Gr.1), Julinsky Prince, Nashville, Recite, Sierra Sue, Risque, Artistic, Kahma Lass, Irish Fling, Devise, D B Pin, Gust of Wind, Harlech, Rasa Lila, Amazing Star, Hello It's Me, Leading Role, Valbuena, Sky Darci, etc.

1st dam

UJJAYYI, by Ilfraaj. Winner at 2. This is her first foal.

2nd dam

INDIAN SKY, by Stravinsky. 7 wins at 1400m, NZ\$83,100, Otaki Maori RC Mills Reef Winery H., ARC Sharp H., Levin RC Miss Nature Coast H., 2d ARC JRA Trophy H., Hallmark Stud H., 3d BOP RC Gartshore Construction H., ARC Trevor Eagle Memorial H. Half-sister to **DIGITALISM**. Dam of 4 named foals, 2 to race, both winners, inc:-
Touch the Clouds. Winner at 1550m in 2020-21, 2d BOP RC Bulk Lines Limited H., 3d Waikato RC Savile Row H., Dunstan Horsefeeds H.
Ujjayyi. Winner. See above.

3rd dam

INDIAN DREAM, by Indian Ridge. Placed at 3 in GB. Half-sister to **CAMPO CATINO, Taglioni**. Dam of 7 named foals, 6 to race, 5 winners, inc:-
DIGITALISM (Fastnet Rock). 9 wins from 1400m to 2050m, A\$564,575, Cranbourne Cup, **L**, MVRC Follow the Willhiltwolf H., Dominant H., City Jeep H., Advanced Mailing Solution H., MRC Jim's Mowing Geelong H., Polytrack H., SAJC Medallion Homes H., 2d VRC Momentum Energy Trophy, MVRC Dominant H., Yarra Valley Cup, MRC Perri Cutten H., Browns Sawdust & Shavings H., Legatee Ron Foskett H., 3d MVRC Health Science Planning Consultants H., MRC Dennis Hanrahan H., 4th Ballarat Cup, **L**.
Indian Sky. 7 wins. See above.
Papillon Rouge. 2 wins at 1300m, 1550m, A\$87,105, ATC Australian Turf Club H., 2d ATC Pluck at Vinery P., Schweppes H., Become an ATC Sponsor H., Theraces.com.au H.
Our Dream Catcher. 3 wins at 1400m, 1800m, 3d MVRC Pulse Pharmacy H., MRC Hayman Island H. Dam of-
Vanilla Moon. 4 wins at 1200m, 1400m, 3d ARC Brookby Stables H., BOP RC New World Summer Cup.
Astra. 4 wins at 1400m in Malaysia and Singapore, Singapore TC Class 5 H., 2d Singapore TC Class 5 H.

4th dam

KARRI VALLEY, by Storm Bird. Raced once. Three-quarter-sister to **Lisaleen** (dam of **MISS TOBACCO**), Quarter Deck (dam of **HANA**), half-sister to **FATHERLAND, GOLDEN DOME, YEATS, Rosa Mundi** (dam of **SWORD DANCE**). Dam of 15 foals, 11 to race, 8 winners, inc:-
CAMPO CATINO (Woodman). 3 wins at 1½m, 1½m, Curragh Mooresbridge S., **L**, Leopardstown Andrex H., 4th Irish Derby, **Gr.1**, Curragh Cup, **Gr.3**, Leopardstown Ballyroan S., **L** Sire.
Taglioni (Woodman). Winner at 2200m in France, 2d Leopardstown Trigo S., **L**.
Giocomo. 5 wins from 2m to 2½m, Kempton Adonis Novice Hurdle.
Trebzond. 5 wins from 1½m to 2½m, £6,545, US\$235,768, Churchill Downs Hard Scuffle Chase, Belmont Meadowbrook Hurdle, Saratoga Allowance, 3d Far Hills Foxbrook Supreme Hurdle, Leopardstown Blackhorse 2YO S.
Triple Cee. Placed at 2 & 3, 3d Newbury Pump Technology 2YO S. Dam of-
Dunkerron (Kuroshio). 2 wins at 2, York Sun Bets Download the App 2YO S., 2d Goodwood Vintage S., **Gr.2**, 4th Newmarket July S., **Gr.2**, Somerville Tattersall S., **Gr.3**.

5th dam

LISADELL, by Forli. 2 wins at 7f, 1m, Royal Ascot Coronation S., **Gr.2**, Curragh Athasi S., **Gr.3**, 2d Phoenix Park Mulcahy S., **L**. Sister to **THATCH**, Special (dam of **NUMBER, NUREYEV, BOUND**), three-quarter-sister to Pump (dam of **DOCKSIDER, CLASSIC SPORT**), half-sister to **KING PELLINORE, ESPADRILLE, Dusty Boots, Marinsky, Stratford**, Handsewn (dam of **FESTIVAL HALL, HYMN**). Dam of 13 foals, 10 to race, 6 winners, inc:-
FATHERLAND (Sadler's Wells). 4 wins at 2, US\$326,879, Curragh National S., **Gr.1**, Futurity S., **Gr.3**, Tyros S., **L**, 2d Irish Two Thousand Guineas, **Gr.1**, Leopardstown Two Thousand Guineas Trial, **L**.
GOLDEN DOME (Golden Fleece). 14 wins-2 at 2-from 1000m to 2000m, £14,680, A\$169,170, Curragh Goffs S., **L**, QTC Sydney Cove H., STC Camperdown Welter H., 3d Naas Birdcatcher Nursery H., **L**.
YEATS (Nijinsky). 3 wins at 6f, Phoenix Park Herbertstown S., **L**, Knockmaroon P., Naas Clondalkin P. Sire.
Lisaleen (Northern Dancer). 2 wins at 7f, 1m, 3d Curragh Gilttown Stud S., **Gr.3**. Dam of-
MISS TOBACCO (Forty Niner). 4 wins-1 at 2-at 1500m, 1600m in Germany, Cologne Ostermann Pokal, **Gr.3**, Schwarzgold Rennen, **L**, Hannover Meile der Nord, **L**, 2d Saint-Cloud Prix Saint-Roman, **Gr.3**. Producer.
Alfaguara. Winner at 1600m, 3d Maisons-Laffitte Prix de Champigny. Dam of-
ARD NA GREINE - ENGOL (H.K.) (Galileo). 3 wins-1 at 2-from 1m to 11¼f, Limerick Martin Molony S., **L**.
Gossamer. 2 wins at 1m, 8½f in U.S.A. Dam of-
BACHELOR DUKE (Miswaki). Champion 3YO Sprinter in Ireland in 2004. Winner at 1m, £18,969, €233,213, Irish Two Thousand Guineas, **Gr.1**, 3d Newmarket Somerville Tattersall S., **Gr.3**, 4th Newmarket Dewhurst S., **Gr.1**. Sire.
TRANSLUCID (Woodman). 10 wins from 1900m to 4200m in GB, Ireland and Germany, Neuss Preis der Neusser Industrie und Wirtschaft, **L**, Bremen Grosser Preis von Karlshorst S/chase.
Trylko. Placed at 2, 2d Doncaster Racecourse.com 2YO S. Dam of-
TALCO (Pivotal). 5 wins at 1600m, 2000m, €40,150, US\$488,300, Santa Anita Shoemaker Mile S., **Gr.1**, Thunder Road S., **L**, Longchamp Prix de Solferino, 2d Del Mar Mile H.,

