



DISCLOSURE STATEMENT FORTUNA SYNDICATE NO 122

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 (but handing over to **Mark Walker** end of March 2022) and **Donna Logan** 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 Yearling FILLY by RUBICK out of MISS FOXWOOD – no racing name yet, but has been assigned stable name "CUBE".
- 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.
- Cube was acquired at the Magic Millions Gold Coast Yearling Sale on 12 January 2022 – she is being transported to NZ 26th January where she will travel to Te Akau Stud for a 6 to 8 week paddock spell before being broken in. Once broken in 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 stable preparation
- She will have a further paddock spell at the end of that preparation – the length of that spell will depend on her physical progress and development. Based on her pedigree, physical type and confirmation, her best distances are likely to be in the 1200 metre to 2000 metre range
- A strong, well grown filly, Cube 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 will be the Classic Three Year Old events such as The NZ 1000 Guineas and the NZ Oaks – she is also registered and eligible to race (subject to qualification) in the Magic Millions 2yo Classic (1200m) run at the Gold Coast in January 2023 for prizemoney of A\$2,000,000 and the Magic Millions 3yo Guineas (1400m) run at the Gold Coast in January 2024 for prizemoney of A\$2,000,000
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4. Bloodstock

- | | |
|-------------------------|---|
| (a) Name | No Racing name yet, but nicknamed "Cube" |
| (b) Breeding (Sire/Dam) | RUBICK – MISS FOXWOOD |
| (c) Sex | Filly |
| (d) Foaling Year | 2020 (DOB 12/09/2020) |
| (e) Microchip number | 985100012180229 |
| (f) Brand Marks | SS - 10/0 |

5. Initial Costs and Expenses

- | | |
|--------------------------------------|---|
| (a) Purchase of Bloodstock | |
| (i) Purchase Date | 12TH JANUARY 2022 |
| (ii) Public Auction | MAGIC MILLION SALE |
| (iii) Cost | A\$120,000 Plus GST (NZ\$127,000 approx) |
| (iv) | |
| (b) Breakdown of other Initial Costs | |
| Promoter Fee | \$ 10,000 plus GST |
| Marketing Fee | \$ 7,500 plus GST |
| Sales/Research Fee | \$ 3,000 plus GST |
| Magic Millions Series Fee. | \$ 6,000 no GST |
| Airfreight | \$ 6,500 no GST |
| Valuations | \$ 300 plus GST |
| Vet Reports | \$ 600 plus GST |
| Insurance | \$ 5,400 plus GST |
| Working Capital | \$ 9,820 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\$10,000

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) | 03-1557-0246029-000 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	12th January 2022 to 31st January 2023
c. Value	\$160,000 plus GST if any
d. Type of policy	Death Only

8. Two Valuation Reports

a. Steve Davis	16th January 2022 A\$120,000
b. Marcus Corban	19th January 2022 A\$120,000

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@nzzracing.co.nz).

9. Veterinary Report(s)

Dr Chris Lawler - Dated 15th January 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@nzzracing.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 if 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** 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 \$3,000 for this syndicate**
- **Magic Millions Series Fee** – this is the registration Fee for all Magic Millions Series Races for the racing career of the Bloodstock – **Fee is A\$5,500**
- **Transport** – Estimated Airfreight cost to NZ is **\$6,500**
- **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\$1,250 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\$10,000 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

Rubick Miss Foxwood Filly	#122	Syndicate	
	Amount	GST	Total
Horse Purchase Price	127000	19050	146050
Promoter Fee	10000	1500	11500
Marketing Fee	7500	1125	8625
Sales/Research Fee	3000	450	3450
Magic Millions Series Fee	6000		6000
Veterinary fee	1250		1250
Valuation fee	300	45	345
Insurance to 31 Jan 2023	5400	810	6210
Airfreight to NZ	6500	0	6500
Working Capital	10070	0	10070
Grand Total	177020	22980	200000
Share 10%			20000
Share 5%			10000
Share 2.5%			5000
Share 1%			2000

20 shares (each share 5%) @ \$10,000. (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 20th January 2022

PEDIGREE

BAY FILLY (AUS)

Foaled 12th September 2020

Sire	Encosta de Lago	Fairy King.....Northern Dancer
RUBICK (AUS)		Shoal Creek.....Star Way
2011	Sliding Cube	Rock of Gibraltar..... Danehill
		Shanthe's Choice.....Canny Lad
Dam	Fastnet Rock	DanehillDanzig
MISS FOXWOOD (AUS)		Piccadilly Circus.....Royal Academy
2010	Foxwood	Centaine.....Century
		Delia's Choice.....Sir Tristram

RUBICK (AUS) (Bay 2011-Stud 2015). 3 wins-2 at 2, MRC Schillaci S., Gr.2. Leading sire of 3YO in Aust. in 2019-20. Sire of 267 mrs, 135 wms, inc. SW Yes Yes Yes (ATC Todman S., Gr.2), Rubisaki, Condo's Express, SP Sudoko, Jet Propulsion - Master Delight (H.K.), The Face, Amica, Krameric, One Shy Ruby, Alburg, Biscara, Excess Funds, Montelena, Masseuse and of Jacquinet, Rubiquitous, My Ruby, Erno, Remiaps Gem, Rubic Rose, Ruuca, Wilmot Pass, etc.

1st dam

Miss Foxwood, by Fastnet Rock. 3 wins at 1400m, 1600m, NZ\$97,455, ARC Twilight Cup, 2d ARC New Zealand Herald H., Waikato RC Hirepool 60 Years H., Print House H., Cambridge JC Harness Racing Waikato H., Marton JC Farmlands Iplex H., Te Aroha JC Tows Insurance Brokers H., 3d Waikato RC James & Annie Sarten Memorial S., Gr.3, Egmont RC Taranaki Breeders S., Gr.3, Manawatu RC Flying H., L, 4th New Zealand One Thousand Guineas, Gr.1, ARC Newmarket H., L. Half-sister to **ROCKWOOD Quartz Reef - Best Military** (H.K.). This is her fourth foal. Her third foal is a 2YO. Dam of one foal to race:
Silent Tryst (f. by Sebring). 2 wins at 1200m, 1400m in 2020-21 in Aust.

2nd dam

FOXWOOD, by Centaine. 5 wins-1 at 2-from 1200m to 1600m, NZ\$211,300, A\$6,000, New Zealand Two Thousand Guineas, Gr.1, WRC Captain Cook S., Gr.1, Avondale JC Equinet International Juvenile H., Matamata RC Jack Lindsay Classic, Cambridge JC Logan Thoroughbred Insurance H., 2d Levin RC Bayer Classic, Gr.1, BOP RC Japan-New Zealand International Trophy, Gr.2, Matamata RC Van Dyk Furnishers H., 4th AJC Emancipation S., Gr.2. Half-sister to **CELTIC TIGER - OPPOSING FORCE** (Mal.). Dam of 11 foals, 10 to race, all winners, inc:-

ROCKWOOD (Rock of Gibraltar). 4 wins from 1200m to 2000m, A\$323,975, AJC Frank Packer P., Gr.3, Sydney City Toyota H., SAJC Betfair H., STC Epic Wright Heaton P., 2d MRC Toorak H., Gr.1, AJC Bill Ritchie H., Gr.3, Carbine Club H., L, STC Autumnracingcarnival.com.au H., 3d AJC Summer Cup, Gr.3, 4th MVRC Crystal Mile H., Gr.2, Newcastle JC Cameron H., Gr.3, MRC Lord S., L

Miss Foxwood (Fastnet Rock). 3 wins. See above.

Quartz Reef - Best Military (H.K.) (Redoute's Choice). 2 wins at 1200m, 1600m, 2d Manawatu Classic, Gr.3, BOP RC Tauranga Livestock H.

Le Moussier. 4 wins from 1600m to 2500m, WRC Summer Cup, Hawkes Bay Stead Construction Stayers H., Waikato RC Munns the Man's Store H., 2d Waikato RC Dunstan Feeds Qualifier, 3d ATC Wyong Rugby League Club H., Waikato RC Madisons of Cambridge H.

Foxspur - Speedy Winner (H.K.). 2 wins at 1400m, Waikato RC Warren Storm S., 3d ATC McGrath Estate Agents H.

Future King. 2 wins at 1000m, 1100m, ARC Hyland Race Colours H., 2d ARC Lindauer H., Waikato RC Suretrade Building Services H., 3d Waikato RC Risk Management Group 3YO H.

Miss Danewood. Unraced. Dam of-

Victoria Belle. Unplaced. Dam of-

MR CLINT (Power). Champion 3YO in Singapore in 2018. Champion Stayer in Singapore in 2019. 5 wins from 1200m to 2000m, S\$1,882,101, Singapore Guineas, L, Singapore Gold Cup, L, Singapore TC Spalato S., Class H., Class 4 H., 2d Singapore TC Raffles Cup, L, Singapore Derby, L, Singapore 3YO Sprint, L, Happiness S., Class 4 H., 3d Singapore TC Queen Elizabeth II Cup, L, Moonbeam Vase, L, Singapore Gold Cup, L, Class 1 H.

3rd dam

DELIAS CHOICE, by Sir Tristram. 4 wins from 1600m to 2000m, 2d ARC Zabeel H., Ellerslie Punters Club Juvenile H., Waikato RC Cantas H. Sister to **SOVEREIGN RED GURNER'S LANE**.

TRICHELLE QUEEN'S CHOICE, three-quarter-sister to **TRISTRAM'S GOLD** Sinjani (dam of **FOORAM**), half-sister to Dancer's Glory (dam of **FUJI DANCER**), Scarlet Robin (dam of **ESTIMABLE**). Dam of 8 foals, 7 to race, 6 winners, inc:-

FOXWOOD (Centaine). 5 wins. See above.

CELTIC TIGER - OPPOSING FORCE (Mal.) (Jetball). Malaysia Horse of the Year. 11 wins from 1400m to 2400m, A\$8,490, 4,486,379Rgt. in Aust. and Malaysia, Selangor TC Piala Emas Sultan Selangor, L, Penang Sprint Trophy, L, Selangor Gold Cup, L, Perak Derby, L-3 times, 2d Selangor TC Piala Emas Sultan Selangor, L-twice, Tunku Gold Cup, L, Selangor Gold Cup, L, Penang Gold Cup, L, Perak Derby, L.

Keepable. Unplaced. Dam of-

Lilahjay. Unraced. Dam of-

MR BRIGHTSIDE (Bullbars). 6 wins from 1450m to 1650m, NZ\$200, A\$359,300, to 2021-22, Seymour Cup, L, VRC Hanan Displays H., MVRC Drummond Golf H., MRC Ladbrokes Bet Ticker H., Ive Print H., 4th VRC Cantala S., Gr.1.

