



## DISCLOSURE STATEMENT

### FORTUNA MILESTONE SYNDICATE NO 123

#### 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 **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. **Kevin Myers** also trains some NZ based horses for Fortuna and **Anthony and Sam Freedman** train our Melbourne 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:	<b>Fortuna Limited</b>
Address of Promoter:	<b>5 Johnnybro Place, Rototuna North, Hamilton 3210</b>
Manager and Director:	<b>John Eric Galvin</b>
Bankers:	<b>Westpac Banking Corporation</b>
Accountants:	<b>One Base Accounting - Hamilton</b>
Solicitors/Legal Advisors:	<b>Harkness Henry – Hamilton</b>

#### 3. Business Plan

- This Syndicate will race just one horse, that being the Six Year Old Gelding, **MILESTONE** by Mastercraftsman out of **Mission Secrete (by Galileo)**
- 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.
- **MILESTONE** was acquired at the recent Inglis Digital Online Sale from his former Owners, the high profile OTI Racing, who, deciding that he was not up to the class of the best Stayers in Melbourne, had decided to move him on to make room for newer acquisitions – **MILESTONE** has won two races in a 24 raceday career and been trained in Victoria by Trent Busuttin/Natalie Young.
- **MILESTONE** has been acquired specifically to target "Cups" racing in New Zealand, with the NZ Cup at Riccarton in Nov 2022 and the Wellington Cup at Trentham (both 3200m events) in January 2023, being initial targets.
- **MILESTONE** will travel to NZ 24<sup>th</sup> February and have a four week initial paddock spell before going into full work under the watchful eye of Te Akau's newly appointed Head NZ Trainer, Mark Walker
- **MILESTONE'S** best racing distances, based on his type, race day form and pedigree, would appear to be in the 2000m to 3200m range

## 4. Bloodstock

- |                         |  |
|-------------------------|--|
| (a) Name                | <b>MILESTONE</b>                         |
| (b) Breeding (Sire/Dam) | <b>Mastercraftsman – Mission Secrete</b> |
| (c) Sex                 | <b>Gelding</b>                           |
| (d) Foaling Year        | <b>2016 (DOB 05/05/2016)</b>             |
| (e) Microchip number    | <b>250259806197062</b>                   |
| (f) Brand Marks         | <b>OTI – 11/5</b>                        |

## 5. Initial Costs and Expenses

- |                                      |   |
|--------------------------------------|---|
| (a) Purchase of Bloodstock           |   |
| (i) Purchase Date                    | <b>9th February 2022</b>                      |
| (ii) Public Auction                  | <b>Inglis Digital February Sale</b>           |
| (iii) Cost                           | <b>A\$30,000 Plus NZ GST (on entry to NZ)</b> |
| (iv)                                 |   |
| (b) Breakdown of other Initial Costs |   |
| Promoter Fee                         | <b>\$ 10,000 plus GST</b>                     |
| Marketing Fee                        | <b>\$ 7,500 plus GST</b>                      |
| Sales/Research Fee                   | <b>\$ 3,000 plus GST</b>                      |
| Valuations                           | <b>\$ 300 plus GST</b>                        |
| Vet Reports                          | <b>\$ 1,250 no GST</b>                        |
| Insurance                            | <b>\$ 2,000 plus GST</b>                      |
| Working Capital                      | <b>\$ 8,730 no GST</b>                        |
| Other (specify)                      | <b>Nil</b>                                    |

**Note that a Full breakdown of Initial Costs is provided in Schedule One (Page 10).**

Number of shares	<b>20</b>
Cost per share	<b>NZ\$4,000</b>

**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)   | <b>\$200 per 5% share</b>  |
| (ii)  | <b>1<sup>st</sup> of each month commencing 1<sup>st</sup> April 2022</b> |
| (iii) | <b>03-1557-0246029-001 Westpac Bank, Hamilton.</b>                       |

*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	<b>New Zealand Bloodstock Insurance</b>
b. Term	<b>17th November 2021 to 31<sup>st</sup> January 2023</b>
c. Value	<b>\$60,000 plus GST if any</b>
d. Type of policy	<b>Death Only</b>

## 8. Two Valuation Reports

a. Steve Davis	<b>15<sup>th</sup> February 2022 A\$30,000</b>
b. Marcus Corban	<b>15<sup>th</sup> February 2022 A\$30,000</b>
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](mailto:john@fortuna-nz.com) or by requesting copies from NZ Thoroughbred Racing ([syndication@nzracing.co.nz](mailto:syndication@nzracing.co.nz)).

## 9. Veterinary Report(s)

**Dr Maxine Brain**                      **Dated 10<sup>th</sup> February 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](mailto:john@fortuna-nz.com) or by requesting a copy from NZ Thoroughbred Racing ([syndication@nzracing.co.nz](mailto: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.

## 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](mailto: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**
- **Transport – Airfreight from Australia is \$7000 no GST 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 and reports provided by our Veterinary Surgeon as we undertake due diligence. This fee is **NZ\$1,250 no 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\$8,730**

### 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

### All costs in NZ\$

Milestone	#123	Syndicate	
	Amount	GST	Total
Horse Purchase Price	32000	4800	36800
Promoter Fee	10000	1500	11500
Marketing Fee	7500	1125	8625
Sales/Research Fee	3000	450	3450
			0
Veterinary fee	1250		1250
Valuation fee	300	45	345
Insurance to 31 Jan 2023	2000	300	2300
Airfreight to NZ	7000	0	7000
Working Capital	8730	0	8730
<b>Grand Total</b>	<b>71780</b>	<b>8220</b>	<b>80000</b>
<b>Share 10%</b>			<b>8000</b>
<b>Share 5%</b>			<b>4000</b>
<b>Share 2.5%</b>			<b>2000</b>
<b>Share 1%</b>			<b>800</b>

**20 shares (each share 5%) @ \$4,000. (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 1<sup>st</sup> April 2022**

**Finalised by John Galvin on 15<sup>th</sup> February 2022**



## PEDIGREE

### MILESTONE (FR)

Bay Gelding

Foaled in 2016

Sire	Danehill Dancer	Danehill .....	Danzig
<b>MASTERCRAFTSMAN (IRE)</b>		Mira Adonde .....	Sharpen Up
2006	Starlight Dreams	Black Tie Affair .....	<b>Miswaki</b>
		Reves Celestes .....	Lyphard
Dam	Galileo	Sadler's Wells .....	Northern Dancer
<b>MISSION SECRETE (IRE)</b>		Urban Sea .....	<b>Miswaki</b>
2005	Miss Tahiti	Tirol .....	Thatching
		Mini Luthe .....	Luthier

**MASTERCRAFTSMAN (IRE) (Grey 2006-Stud 2010). 7 wins-4 at 2, Irish Two Thousand Guineas, Gr.1. Sire of 1341 mrs, 846 wns, 86 SW, inc. Ya Primo (Valparaiso Clasico El Derby, Gr.1), The Grey Gatsby, Alpha Centauri, A Raving Beauty, Amazing Maria, Kingston Hill, Danzdanzdance, Technician, Thee Auld Floozie, Off Limits, Saint Emillion, Discoveries, Ojo del Milagro, Reina de Mollendo, Reine de Arabie, Cambridge, Valley Girl, Gran Caroso, Neufbosc, etc.**

#### 1st dam

**MISSION SECRETE**, by Galileo. Winner at 2900m, 2d Chantilly Prix de la Coharde, Longchamp Prix Beachcomber Hotels Le Shandrani, 3d Saint-Cloud Prix Aquatinte II. Three-quarter-sister to **MER DE CORAIL** (dam of **ALSACE LORRAINE**), **Maximum Security**, half-sister to **MISS FRANCE**, Miss Hawaii (dam of **BEACH BUNNY**). Dam of seven named foals, six to race, four winners, inc.:-

**MASK OF TIME** (g. by Holy Roman Emperor). 3 wins from 1600m to 2000m, €71,410, A\$295,225, MRC Coongy H., **Gr.3**, Bordeaux-Le Bouscat Derby du Midi, **L**, 2d ATC Ajax S., **Gr.2**, Doncaster Prelude, **Gr.3**, Lidoran Group H., 3d ATC Schweppes H., MVRC T Harrison Cup H., Chantilly Prix de la Brouillerie, Prix du Soleil de Bretagne, Prix Amezaga, 4th MRC Toorak H., **Gr.1**, Chantilly Prix Hocquart, **Gr.2**, ATC Doncaster Prelude, **Gr.3**, MVRC JRA Cup, **Gr.3**, MRC Eclipse S., **Gr.3**.

**Mahari** (g. by Duke of Marmalade). 4 wins-1 at 2-from 1950m to 2400m, Maisons-Laffitte Prix Mendez, 3d Saint-Cloud Prix de l'Avre, **L**.

**Milestone** (g. by Mastercraftsman). 2 wins. See below.

**Miro** (g. by Rock of Gibraltar). Winner at 18¼f, 3d Curragh Tipperary Crystal Rose Ladies Invitational H.

**Mission Impossible** (c. by Le Havre). Placed at 3 in France.

**Malakite** (f. by Rock of Gibraltar). Placed at 2, 2d Saint-Cloud Prix Pharsale.

#### 2nd dam

**MISS TAHITI**, by Tirol. Champion 2YO Filly in France in 1995. 2 wins at 2, 1,885,000fr., Longchamp Prix Marcel Bousac, **Gr.1**, Deauville Prix des Marettes, 2d Chantilly Prix de Diane, **Gr.1**, Longchamp Prix Saint-Alary, **Gr.1**, Prix d'Aumale, **Gr.3**, 3d Longchamp Prix Vermeille, **Gr.1**, Prix de la Grotte, **Gr.3**. Half-sister to Mystery Tune (dam of **ENGLAND'S LEGEND**). Dam of 11 foals, 9 to race, 5 winners, inc.:-

**MISS FRANCE** (Dansili). 3 wins-2 at 2-from 1400m to 1600m, £312,302, €166,080, The One Thousand Guineas, **Gr.1**, Newmarket Oh So Sharp S., **Gr.3**, Chantilly Prix de la Mare Aux Oiseaux, 2d Deauville Prix Rothschild, **Gr.1**, Newmarket Sun Chariot S., **Gr.1**, Longchamp Prix Daniel Wildenstein, **Gr.2**, Prix de la Cochere, **L**.

**MER DE CORAIL** (Sadler's Wells). 2 wins at 2000m, €171,675, US\$71,535, Longchamp Prix d'Automne, **L**, Deauville La Coupe du Fonds Europeen de l'Elevage, **L**, 2d Chantilly Prix de Royaumont, **Gr.3**, Santa Anita La Zanzara H., **L**, 4th Woodbine EP Taylor S., **Gr.1**, Santa Anita San Gorgonio H., **Gr.2**, Deauville Prix Minerve, **Gr.3**. Dam of-

**ALSACE LORRAINE** (Giant's Causeway). 5 wins from 1m to 1¼m, £101,734, Salisbury Upavon S., **L**, Ascot Bovis Homes H., Goodwood Country Life Magazine H., Doncaster Construction Index H., 2d Ascot Rosemary H., **L**, 3d Ascot Valiant S., **L**, 4th Royal Ascot Windsor Forest S., **Gr.2**. Dam of-

Thai Noon. Winner at 1m in GB. Dam of-

**STEINEM** (Frankel). 3 wins at 1400m, 1600m, A\$263,700, to 2021-22, MRC Summoned S., **Gr.3**, Ive Print H., 2d MRC Tristarc S., **Gr.2**, 4th SAJC Auraria S., **Gr.3**.

**Maximum Security** (Sadler's Wells). 3 wins from 2400m to 2600m, Chantilly Prix de l'Etang de l'Epine, Saint-Cloud Prix Transvaal, Prix Vert Clos, 2d Deauville Prix de Reux, **L**, Maisons-Laffitte Prix Right Royal, **L**, 4th Grand Prix de Deauville, **Gr.2**. Sire.

Miss Hawaii. Unraced. Dam of-

**BEACH BUNNY** (High Chaparral). 3 wins from 1m to 1¼m, €179,841, Curragh Dance Design S., **L**, Leopardstown Irish Stallion Farms S., 2d Curragh Pretty Polly S., **Gr.1**, Blandford S., **Gr.2**, Ridgewood Pearl S., **Gr.3**, Cork Noblesse S., **Gr.3**, 3d Leopardstown Amethyst S., **Gr.3**. Dam of-

**NAADIRR** (Oasis Dream). 5 wins-1 at 2-to 7f, £161,141, €6,630, 178,913Dhs, Doncaster Cammidge Trophy, **L**, York Garrowby S., **L**, 2d Ascot Bengough S., **Gr.3**, 3d Rome Premio Tudini, **Gr.3**.

**BEACH BELLE** (Invincible Spirit). 2 wins at 2, Naas Fillies' Sprint S., **L**, Curragh Tally Ho Stud 2YO S., 4th Curragh Phoenix S., **Gr.1**. Dam of-

**SURF DANCER** (Lope de Vega). 3 wins-2 at 2-at 7f, York King Charles II S., **L**, 3d Hawkesbury RC Rowley Mile, **L**, ATC Bowermans Furniture H.

Jeuette Lulu. Placed at 3 in France. Dam of-

**KING DAVID** (Elusive City). 12 wins-3 at 2-from 1100m to 2200m to 2021 in Germany, Denmark and Sweden, Hamburg Grosser Preis von Lotto Hamburg, **Gr.3**, Klampenborg Pokallob, **L**-twice, Dansk Jockey Club Cup, **L**, 2d Bro Park Stockholms Stora Pris, **Gr.3**-twice, 3d Ovrevoll Marit Sveaas Minneløp, **Gr.3**, Bro Park Stockholms Stora Pris, **Gr.3**.

**Race Record** : 24 Starts 2-3-3 €32,200, A\$60,775.

2 wins at 2400m to 2021-22, Chantilly Prix de la Berline du Duc de Bourbon, 2d MVRC Simon Davey H., Pakenham RC Iron Jack Aust Lagers H., 3d Lyon-Parilly La Coupe des Trois Ans, **L**.

