



DISCLOSURE STATEMENT FORTUNA SYNDICATE NO 137

1. INTRODUCTION

2. **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, 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 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"

3. 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

4. Business Plan

- This Syndicate will race just one horse, that being the Yearling FILLY by EMINENT out of QUEEN BOUDICCA– no racing name yet, but has been assigned stable name "QUEENIE".
- 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.
- QUEENIE was acquired at the NZ Bloodstock National Yearling Sale on 29 January 2023 – she has been transported to Te Akau Stud where she will have 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 1400 metre to 2400 metre range
- A strong, well grown filly, QUEENIE presents as a genuine middle distance/staying type who will benefit from a patient preparation – at the same time she is an August foal and quite forward, and so there is a possibility that she could run as an Autumn 2yo

5. Bloodstock

- | | |
|-------------------------|--|
| (a) Name | No Racing name yet, but nicknamed "QUEENIE" |
| (b) Breeding (Sire/Dam) | EMINENT – QUEEN BOUDICCA |
| (c) Sex | Filly |
| (d) Foaling Year | 2021 (DOB 25/08/2021) |
| (e) Microchip number | 985125000123701 |
| (f) Brand Marks | BF - 1/1 |

6. Initial Costs and Expenses

- | | |
|--------------------------------------|---|
| (a) Purchase of Bloodstock | |
| (i) Purchase Date | 31st JANUARY 2023 |
| (ii) Public Auction | NZ BLOODSTOCK NATIONAL YEARLING SALE |
| (iii) Cost | \$75,000 Plus GST |
| (iv) | |
| (b) Breakdown of other Initial Costs | |
| Promoter Fee | \$ 10,000 plus GST |
| Marketing Fee | \$ 7,500 plus GST |
| Sales/Research Fee | \$ 3,000 plus GST |
| Magic Millions Series Fee. | \$ 2,500 plus GST |
| Vet Reports | \$ 900 plus GST |
| Insurance | \$ 4,200 plus GST |
| Working Capital | \$ 11,205 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\$6,500

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 **\$48,000 inclusive of GST if any.**
- (b) Members will be required to meet all ongoing costs associated with educating, training, spelling, racing, transportation, animal health, 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. \$220 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) | \$220 per 5% share |
| (ii) | 1st of each month commencing 1st April 2023 |
| (iii) | 03-1557-0246029-015 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	30th January 2023 to 31st January 2024
c. Value	\$110,000 incl GST if any
d. Type of policy	Death Only

8. Veterinary Report(s)

Dr Jack O'Brien - Dated 30th January 2023

The veterinary report 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).

9. 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

10. 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

11. Governing Documents

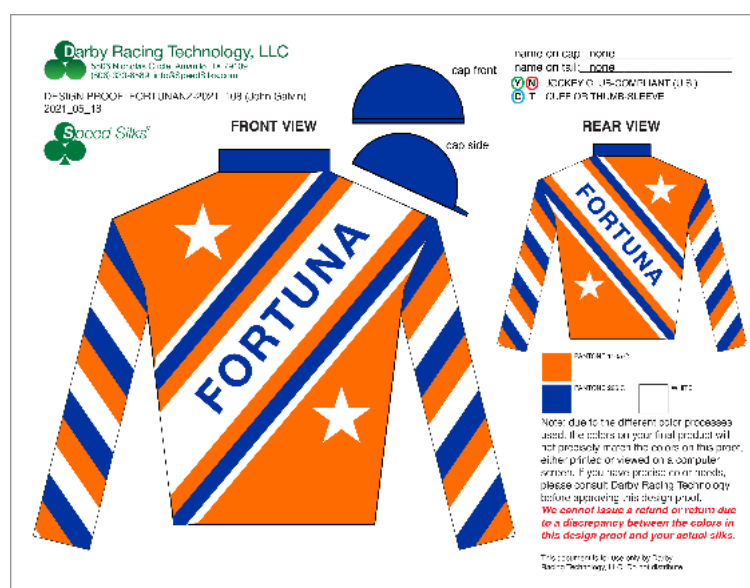
- The Syndicate Agreement which governs the Syndicate is attached

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**
- **Karaka Million Series Fee** – this is the registration Fee for all Karaka Million Series Races for the racing career of the Bloodstock – **Fee is \$2,500 plus GST**
- **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\$900 plus GST approx**
- **Bloodstock Insurance.** The cost of this is **3.8%** 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\$11,000 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 **\$48,000 per annum** inclusive of GST if any
- **Fortuna Ltd Administration fee.** This fee is **\$380 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 **\$440 per month for a 10% share, \$220 per month per month for a 5% share, \$110 per month for a 2.5% share and \$44 per month for a 1% share. These figures are GST inclusive.** Under normal circumstances the regular monthly payments made by Members (i.e \$220 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

Eminent Filly	#137	Syndicate	
	Amount	GST	Total
Horse Purchase Price (NZ\$)	75000	11250	86250
Promoter Fee	10000	1500	11500
Marketing Fee	7500	1125	8625
Sales/Research Fee	3000	450	3450
Karaka Million Fee	2500	375	2875
Veterinary fee	800	120	920
Valuation fee	300	45	345
Insurance	4200	630	4830
Working Capital	11,205	0	11205
Other			
Grand Total	\$114,505	\$15,495	\$130,000
Cost of Share 10%			\$13,000
Cost of Share 5%			\$6,500
Cost of Share 2.5%			\$3,250
Cost of Share 1%			\$1,300

20 shares (each share 5%) @ \$6,800. (Note that the Manager has the discretion to issue shares in parcels larger or smaller than 5%)

Ongoing monthly contributions \$220 pm (per 5% share) commencing 1st April 2023

Finalised by John Galvin on 3rd February 2023

PEDIGREE

BROWN FILLY

Foaled 25th August 2021

Sire	Frankel	Galileo..... Sadler's Wells
EMINENT (IRE)		Kind..... Danehill
2014	You'll be Mine	Kingmambo.....Mr. Prospector
		Quarter Moon..... Sadler's Wells
Dam	Perfectly Ready	More Than Ready.....Southern Halo
QUEEN BOUDICCA		Elle Duccio..... Danehill
2008	Owikhik	Grosvenor.....Sir Tristram
		Energy Efficient.....Fluorescent Light

EMINENT (IRE) (Bay 2014-Stud 2019), 3 wins-1 at 2-at 1610m, 2000m, £174,552, €340,500, AS172,000, Deauville Prix Guillaume d'Ornano, Gr.2, Newmarket Craven S., Gr.3, 2d ATC Ranvet S., Gr.1, 3d Leopardstown Irish Champion S., Gr.1, 4th The Derby, Gr.1. Out of SP You'll Be Mine, a half-sister to SW Diamondsandrubies (Curragh Pretty Polly S., Gr.1). Grandson of SW Quarter Moon. His oldest progeny are 2YOs.

1st dam

Queen Boudicca, by Perfectly Ready. Winner at 2, 3d Matamata Breeders' S., Gr.2, Counties RC Home of Motor Racing 2YO H. This is her sixth living foal. Her fifth foal is a 2YO. Dam of four foals to race, two winners:-

ALOISIA (f. by Azamour), 3 wins-1 at 2-from 1400m to 2050m, NZ\$6,500, A\$784,650, MRC Thousand Guineas, Gr.1, Moonee Valley Vase, Gr.2, VRC Sainly Hall of Fame 2YO Trophy, 2d BRC JJ Atkins S., Gr.1, ATC Villiers H., Gr.2, WRC Richardson Racing 2YO S., 3d ATC Vinery Stud S., Gr.1, MRC Tristarc S., Gr.2.

I'm Buzz (g. by Swiss Ace). 2 wins at 1200m, ARC Vodafone H., 3d WRC Staphanos H. Thornycroft (g. by Preferment). Placed at 3 in 2022-23 in Aust. Wyetta (f. by Keeper). Placed at 2, 3d Counties RC Colliers International 2YO H.

2nd dam

OWIKCHIK, by Grosvenor. Placed at 3. Half-sister to **CANNED HEAT - BEAR WITH ME** (H.K.), Energetic Dancer (dam of **SAVVY DANCER**). Dam of 8 named foals, all raced, 6 winners, inc:-

Queen Boudicca (Perfectly Ready). Winner. See above.

Ophelia Lee. 4 wins at 1600m, 2100m, Waikato RC Garrard's Horse and Hound H., 2d Marton JC James & Son H., 3d Taranaki RC Fasttrack Insurance H., Wanganui JC St Johns Club Celebrating H.

Run Lee. Winner at 2050m, 2d WRC Clubs NZ H.

Skywinger - Boy From the Bay (Mac.). 6 wins from 1200m to 1800m in NZ and Macau.

Elusive Chik. 4 wins to 1400m. Dam of-

Third Decree. 2 wins at 1100m, 1150m in 2022-23, CJC Farewell Uncle Scotty H.

Chikira Lass. 5 wins at 1200m, 1600m to 2022-23, 2d Hawkes Bay Fashion in the Field H.

Halls Creek. 2 wins at 1300m, 1400m, 3d BRC Coastal Fresh H., Old Tatt's RC Past Presidents' 2YO H., BRC Hillross Montefiore & Co P.

Valberry. Winner at 1400m in Malaysia.

3rd dam

ENERGY EFFICIENT, by Fluorescent Light. Unraced. Half-sister to **BET TWICE, GOLDEN TREAT** (dam of **DOUBLE SCOOP**), **BOLD AND GOLD**, Fidelia (dam of **KING FIDELIA**). Dam of 9 named foals, 8 to race, 7 winners, inc:-

CANNED HEAT - BEAR WITH ME (H.K.) (Al Akbar), 6 wins-2 at 2-from 1100m to 1600m in U.S.A. and NZ, ARC Champagne S., L, Jacobsen Headstones Juvenile H.

Darley. 6 wins from 1600m to 2000m, HK\$2,887,965, HKJC Sutherland H., Chevalier Marine Cargo Insurance H., National Linear Shaver H., Tai Po H., Tate's Cairn H., Tak Wah H., 2d HKJC Aisa Craig H., Chevalier Pacing H., 3d HKJC Ninepin Group H., Hollywood H., So Uk H., Wan Chai Gap H., Jaffe H.

Energetic Dancer. 3 wins at 1400m, 1600m, Matamata RC Mitre 10 H., 2d Hawkes Bay Taradale Club H., 3d ARC TV Guide 3YO H., Wanganui JC TCL Communications H. Dam of-

SAVVY DANCER (Savabeel), 5 wins from 1400m to 2500m, Feilding Gold Cup, L, SAJC SA With Cosi H., Counties RC Kempswear Lawyers H., 3d MRC BMW H., SAJC Sportingbet H., WRC New Zealand Car Parts H., Hawkes Bay Lest We Forget H.

4th dam

GOLDEN DUST, by Dusty Canyon. Winner at 2 in U.S.A. Sister to **JOY TO THE WORLD**, half-sister to **METAL VENDOR**, Sailing Joy (dam of **GALLANT SAILOR**). Dam of 16 foals, 13 to race, 8 winners, inc:-

BET TWICE (Sportin' Life). Joint third top colt on The 1987 USA 3YO Free H. 10 wins-5 at 2-from 5f to 1 $\frac{1}{2}$ m, US\$3,308,599, Belmont S., Gr.1, Monmouth Haskell Invitational H., Gr.1, Arlington-Washington Futurity, Gr.1, Laurel Futurity S., Gr.1, Gulfstream Park Fountain of Youth S., Gr.2, Monmouth Sapling S., Gr.2, 2d Kentucky Derby, Gr.1, Monmouth Philip H Iselin H., Gr.1, Pimlico Preakness S., Gr.1, Keeneland Ben Ali H., Gr.3, Monmouth Salvator Mile H., Gr.3, 3d Belmont Suburban H., Gr.1, Champagne S., Gr.1, Atlantic City United Nations H., Gr.1. Sire.

GOLDEN TREAT (Theatrical). 3 wins-1 at 2-from 4 $\frac{1}{2}$ f to 8 $\frac{1}{2}$ f, US\$347,463, Santa Anita Oaks, Gr.1, Del Mar San Clemente H., L, 2d Santa Anita Las Virgenes S., Gr.1, Oaklawn Park Fantasy S., Gr.2, Santa Anita Santa Ysabel S., L, 3d Hollywood Park Moccasin S., L, 4th Kentucky Oaks, Gr.1. Dam of-

DOUBLE SCOOP (Seeking the Gold). 6 wins at 6 $\frac{1}{2}$ f, 7f, US\$257,494, Calder Silver Bells S., L, 2d Churchill Downs Dogwood S., Gr.3. Dam of-

ICE CREAM SILENCE (Street Sense). 4 wins at 7f, 8 $\frac{1}{2}$ f, US\$228,046, Keeneland Doubledogdare S., Gr.3, Churchill Downs Optimistic Gal S., L, 2d Prairie Meadows Iowa Oaks, Gr.3, 4th Churchill Downs Fleur de Lis H., Gr.2. Producer.

Gold Canyon. Winner at 8 $\frac{1}{2}$ f in U.S.A. Dam of-

ADRIANO (A.P. Indy). 4 wins-1 at 2-at 8 $\frac{1}{2}$ f, 9f, US\$728,510, Turfway Park Lane's End S., Gr.2, Delaware Park Kent S., Gr.3, Gulfstream Park Allowance, 4th Keeneland Breeders' Futurity, Gr.1, Saratoga National Museum of Racing Hall of Fame S., Gr.2, Hawthorne Derby, Gr.3. Sire.

Gold d'Oro (Medaglia d'Oro). 5 wins from 8 $\frac{1}{2}$ f to 1 $\frac{1}{4}$ m, US\$232,989, Keeneland Allowance, 3d Gulfstream Park Suwannee River S., Gr.3. Dam of-

STRIKE POWER (Speightstown). 4 wins-1 at 2-to 7f, US\$497,935, Gulfstream Park Swale S., Gr.3, 2d Gulfstream Park Fountain of Youth S., Gr.2, Belmont True North S., Gr.2, Pimlico Maryland Sprint S., Gr.3.

Star Torina. 3 wins at 1m, 8 $\frac{1}{2}$ f, US\$96,057, Gulfstream Park Allowance. Dam of-

LIPSTICK CITY (City Zip). 4 wins-1 at 2-at 1m, 8 $\frac{1}{2}$ f, US\$209,719, Monmouth Boiling Springs S., L, Gulfstream Park Christmas Past S., L.