



DISCLOSURE STATEMENT FORTUNA SYNDICATE NO 138

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, **Anthony/Sam Freedman** train its Australian 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"

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 RELIABLE MAN out of SCENE QUEEN– no racing name yet, but has been assigned stable name "RAQUEL".
- 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.
- RAQUEL was acquired at the NZ Bloodstock National Yearling Sale on 03 February 2023 – she is now spelling at 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, RAQUEL presents as a genuine middle distance/staying type who will benefit from a patient preparation – at the same time she is quite forward, and so there is a good possibility that she could run as an Autumn 2yo

5. Bloodstock

- (a) Name **No Racing name yet, but nicknamed "RAQUEL"**
- (b) Breeding (Sire/Dam) **RELIABLE MAN – SCENE QUEEN**
- (c) Sex **Filly**
- (d) Foaling Year **2021 (DOB 15/09/2021)**
- (e) Microchip number **985125000123084**
- (f) Brand Marks **GH - 92/1**

6. Initial Costs and Expenses

- (a) Purchase of Bloodstock
 - (i) Purchase Date **3rd FEBRUARY 2023**
 - (ii) Public Auction **NZ BLOODSTOCK NATIONAL YEARLING SALE**
 - (iii) Cost **\$35,000 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. **\$ 3,000 plus GST**
 - Vet Reports **\$ 900 plus GST**
 - Insurance **\$ 2,100 plus GST**
 - Working Capital **\$ 9,505 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\$4,000

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 **\$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) **03-1557-0246029-016 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 | 3rd February 2023 to 31st January 2024 |
| c. Value | \$60,000 incl GST if any |
| d. Type of policy | Death Only |

8. Veterinary Report(s)

Dr Douglas Black - 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@nzh racing.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

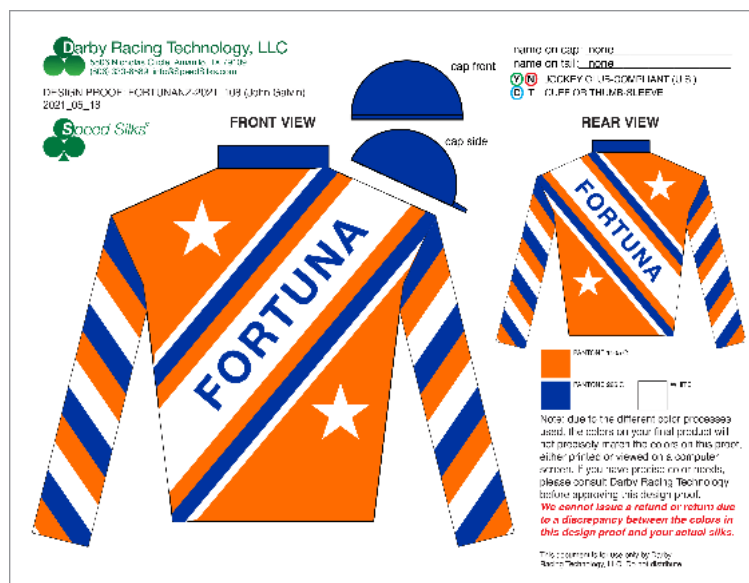
- The Syndicate Agreement which governs the Syndicate is attached

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 \$3,000 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\$9,500 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

Reliable Man Filly	#138	Syndicate	
	Amount	GST	Total
Horse Purchase Price (NZ\$)	35000	5250	40250
Promoter Fee	10000	1500	11500
Marketing Fee	7500	1125	8625
Sales/Research Fee	2500	375	2875
Karaka Million Fee	3000	450	3450
Veterinary fee	900	135	1035
Valuation fee	300	45	345
Insurance	2100	315	2415
Working Capital	9,505	0	9505
Other			
Grand Total	\$70,805	\$9,195	\$80,000
Cost of Share 10%			\$8,000
Cost of Share 5%			\$4,000
Cost of Share 2.5%			\$2,000
Cost of Share 1%			\$800

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

Finalised by John Galvin on 20th February 2023

PEDIGREE

GREY FILLY

Foaled 15th September 2021

Sire	Dalakhani	Darshaan Shirley Heights
RELIABLE MAN (GB)		Daltawa Miswaki
2008	On Fair Stage	Sadler's Wells Northern Dancer
		Fair Salinia Petingo
Dam	Redoute's Choice	Danehill Danzig
SCENE QUEEN (AUS)		Shantha's Choice Canny Lad
2006	Queen of the Park	Diesis Sharpen Up
		Greenland Park Red God

RELIABLE MAN (GB) (Grey 2006-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 659 mrs, 388 wns, 20 SW, inc. Miami Bound (VRC Oaks, Gr.1), Inspirational Girl, Miss Sentimental, Hypnos, Akribie, Ardakan, Reliable Team, Belle du Nord, Erasmus, Adrian, Annavisto, Renaissance Woman, De la Terre, Kinane, Narella, Quiet Times, Naida, Wannabe 'n' Paris, Ernesto, etc.

1st dam

SCENE QUEEN, by Redoute's Choice. Raced 3 times. Half-sister to **Yellowstone - Bliss Star** (H.K.). This is her ninth living foal. Dam of six foals to race, four winners, inc:-
Sisterhood (f. by Postponed). Winner at 1400m, 3d Avondale JC New Zealand Bloodstock Insurance Pearl Series S. Dam of-
Sunny Fighter, 5 wins to 1400m to 2022 in Malaysia.
Helly Belly (f. by Reliable Man). Winner at 1600m in 2022-23.
Sure Bet (f. by Reliable Man). Winner at 1200m.
Abba (f. by Makfi). Winner at 1250m.

2nd dam

QUEEN OF THE PARK, by Diesis. Placed at 2, 3d Deauville Prix des Marettes. Blood-sister to **FITNAH**, half-sister to **Emerald Park, Falcon Eye**. Nawaïet (dam of **CAPPONI, NO EXCUSE NEEDED**). Dam of 6 foals, 5 to race, 4 winners, inc:-
Yellowstone - Bliss Star (H.K.) (Flying Spur). Winner at 2, SAJC Bill Piers 2YO H., 2d SAJC Breeders' S., **Gr.2**, Mistral Vision H., HKJC Garden Road H., 3d HKJC Mr Vitality H.
Great Desert. Winner at 1100m, STC Leichhardt Smash Repairs H.
Stippled. Unraced. Dam of-
Mottled. 2 wins-1 at 2-at 1300m, 1400m, VRC Fitzpatrick & Lombardo H., 2d ATC Gosford RSL H., 3d ATC Super Saver 2YO P., Tab.com.au H., MRC Total Event Solutions H.

3rd dam

GREENLAND PARK, by Red God. Joint second on The 1979 European 3YO Classification (1000m - 1200m). 5 wins-4 at 2-at 5f, Royal Ascot Queen Mary S., **Gr.2**, Ascot Cornwallis S., **Gr.3**, Goodwood Molecomb S., **Gr.3**, 2d Doncaster Flying Childers S., **Gr.1**, 3d Newmarket July Cup, **Gr.1**, Prix de l'Abbaye de Longchamp, **Gr.1**, Longchamp Prix de Saint-Georges, **Gr.3**, Sandown Temple S., **Gr.3**, York Lowther S., **Gr.3**, 4th York William Hill Sprint Championship S., **Gr.2**, Goodwood King George S., **Gr.3** Sister to **RED SUNSET**, three-quarter-sister to Blushing Maid (dam of **GOOD BABA, ARMENIS**), Native Charm (dam of **WINGATE**), half-sister to Mary Martin (dam of **MARINA PARK**). Dam of 12 foals, 11 to race, 5 winners, inc:-
FITNAH (Kris). Joint third top filly on The 1985 French 3YO Free H. 6 wins-1 at 2-at 1900m, 2000m, 2508,100f., Longchamp Prix Saint-Alary, **Gr.1**, Prix Vanteaux, **Gr.3**, Prix du Prince d'Orange, **Gr.3**, Prix de la Nonette, **Gr.3**, Prix de la Pépinière, **L**, 2d Chantilly Prix de Diane, **Gr.1**, Longchamp Prix d'Espahan, **Gr.1**, Prix Vermeille, **Gr.1**, 3d Critérium de Saint-Cloud, **Gr.2**. Dam of-
Just Pretty. Unraced. Dam of-
Double Park (Lycius). 2 wins at 2, Goodwood Vodata Nursery H., 3d Santa Anita Oaks, **Gr.1**, Goodwood Stardom S., **L**. Dam of-
CACTUS RIDGE (Hennessy). 4 wins at 2, US\$187,850, Arlington-Washington Futurity, **Gr.3**, Ellis Park James C Ellis Juvenile S., **L**, Canterbury Park Juvenile S., **L**. Sire.
SEBASTIAN COUNTY (Hennessy). 4 wins-2 at 2-from 5f to 1m, US\$230,155, Oaklawn Park Northern Spur S., **L**, 2d Prairie Meadows H., **L**, 3d Arlington-Washington Futurity, **Gr.3**, Hawthorne Robert F Carey Memorial H., **L**. Sire.
HARRIETT LANE (Giant's Causeway). 3 wins at 6½f, 1m, US\$163,500, Santa Anita La Habra S., **L**, Allowance, 2d Santa Anita Providencia S., **Gr.3**. Dam of-
HEIKO (Mr. Greeley). 11 wins-1 at 2-from 6f to 9f, US\$344,187, Gulfstream Park The Vid S., **L**, 4th Laurel Commonwealth Turf Cup, **Gr.2**, Calder Tropical Turf H., **Gr.3**.
STREET OF GOLD (Street Sense). 5 wins-1 at 2-from 6½f to 8½f, US\$282,559, Fair Grounds Marie G Krantz Memorial S., **L**, 2d Gulfstream Park Spook Express S., **L**, Fair Grounds Blushing KD S., **L**, 3d Arlington Park Modesty H., **Gr.3**. Producer.
Emerald Park (Zilzal). 6 wins from 1100m to 1600m, Chantilly Prix de la Montee des Princes, Maisons-Laffitte Prix des Alluets, 2d Saint-Cloud Prix de Montmagny, 3d Deauville Prix du Haras de la Huderie, **L**.
Falcon Eye (Touching Wood). 2 wins in France and U.S.A. Saint-Cloud Prix Faucheur, 2d Le Croise-Laroche Grand Prix du Nord, **L**, Saint-Cloud Prix Samourai.
Nawaïet. Winner at 1200m, Maisons-Laffitte Prix Patachon. Dam of-
CAPPONI (Medicean). 7 wins from 1600m to 2000m in GB and U.A.E., Meydan Al Maktoum Challenge Round 3 S., **Gr.1**, Doncaster Agriagro UK Tractor Challenge H., York John Smith's Racing H., Meydan Goodyear H., Dubai Duty Free Millennium Millionaire H., 2d Meydan Dubai World Cup, **Gr.1**, Longines Conquest Collection H.
NO EXCUSE NEEDED (Machiavellian). 4 wins-2 at 2-from 7f to 1m, £251,080, €20,200, US\$3,783, Royal Ascot Queen Anne S., **Gr.2**, Goodwood Celebration Mile, **Gr.2**, Vintage S., **Gr.3**, Sandown 2YO S., 2d Goodwood Sussex S., **Gr.1**, 4th Goodwood Sussex S., **Gr.1**, Newbury Lockinge S., **Gr.1**. Successful sire.
Skywards (Machiavellian). 8 wins-1 at 2-from 1000m to 1600m in GB, Oman and U.A.E., Newmarket Play at Breckland Bingo Brandon 2YO S., 2d Nad al Sheba Etisalat Wasel H., Invador S., 3d Royal Ascot Norfolk S., **Gr.3**.
Higher Court (Shamardal). 5 wins at 5½f, 6f, £15,972, US\$75,840 in GB and U.S.A., 3d Saratoga Distorted Humor S., **L**.
You're Back (Street Cry). Winner at 1350m, 2d Dortmund German Owners' and Breeders' Sprint Trophy, **L**, Chantilly Prix de la Route des Postes, 3d Chantilly Prix de Surveilliers. Producer.