



## DISCLOSURE STATEMENT

### FORTUNA GUN SYNDICATE NO 140

#### 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, 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 and Sam Freedman** train its Melbourne 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"***

#### 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 Two Year Old Gelding named "GUN"
- 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.
- GUN will arrive in New South Wales while awaiting to travel to Singapore – timing of that travel is scheduled for late May 2023 – on exiting quarantine after arrival in Singapore, he will be in the care of the Fortuna NZ Stable Singapore based Trainer, Donna Logan of Te Akau Racing Stables
- We expect, all going to plan, that GUN will be ready to race mid October 2023 and, based on his pedigree and conformation, his best distances are likely to be in the 1100 metre to 2000 metre range
- As a Three Year Old non winner in the 2023/24 seasons, GUN will be eligible for Restricted Maiden Grade races in Singapore carrying prizemoney of S\$75,000 (approx NZ\$85,000) and once winning in the Grade, he is eligible for Novice Grade races, also carrying prizemoney of S\$75,000 (approx NZ\$85,000)
- He will also be eligible to contest the lucrative Singapore Three Year Old Series run during May/June of 2024

## 4. Bloodstock

- |                      |                                       |
|----------------------|---------------------------------------|
| (a) Name             | <b>Gun</b>                            |
| Breeding (Sire/Dam)  | <b>Extreme Choice – Murtle Turtle</b> |
| (b) Sex              | <b>Gelding</b>                        |
| (c) Foaling Year     | <b>2020 (DOB 17/08/2020)</b>          |
| (d) Microchip number | <b>985100012180313</b>                |
| (e) Brand Marks      | <b>Left - RF Right - 2/0</b>          |

## 5. Initial Costs and Expenses

- |                                      |                                   |
|--------------------------------------|-----------------------------------|
| (a) Purchase of Bloodstock           |                                   |
| (i) Purchase Date                    | <b>08<sup>th</sup> March 2023</b> |
| (ii) Public Auction                  | <b>Inglis Digital Sale</b>        |
| (iii) Cost                           | <b>A\$45,000 No GST</b>           |
| (b) Breakdown of other Initial Costs |                                   |
| Promoter Fee                         | <b>\$10,000 plus GST</b>          |
| Marketing and Promotion              | <b>\$ 7,500 plus GST</b>          |
| Sales & Research Fee                 | <b>\$ 2,500 plus GST</b>          |
| Vet Reports                          | <b>\$ 1,000 no GST</b>            |
| Insurance                            | <b>\$ 2,900 plus GST</b>          |
| Working Capital                      | <b>\$ 7,665 no GST</b>            |
| Singapore Travel                     | <b>\$17,000 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\$5,000</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 <b>\$48,000 inclusive of GST if any.</b>  |
| (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 <b>(i.e. \$220 per month per 5% share)</b> to the Syndicate, should 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>\$220 per 5% share</b>  |
| (ii) <b>1<sup>st</sup> of each month commencing 1<sup>st</sup> June 2023</b>   |
| (iii) <b>03-1557-0246029-018 Westpac Bank, Hamilton.</b>   |

*Note: On written request, supporting invoices or other evidence of income received or 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>8<sup>th</sup> March 2023 to 31<sup>st</sup> January 2024</b>
c. Value	<b>\$80,000</b>
d. Type of policy	<b>Death Only</b>

## 8. Veterinary Report(s)

**Dr Ramiro Pellegrini of Hawksbury Veterinary Clinic, NSW – Dated 8<sup>th</sup> March 2023**

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@nzh racing.co.nz](mailto: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 Singapore 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 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, Rotorua 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**
- **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 plus GST** is collected as part of the Syndicate's Capital.
- **Sales/Research Fee.** Covers the cost of any travel/accommodation/research and inspections by Fortuna /Te Akau or its agents. **Fee is \$2,500 plus GST..**
- **Singapore Transport Fee.** This covers the costs of quarantine and shipping - **\$17,000 approx no GST**
- **Veterinary Fee.** This fee relates to the Veterinary inspections, radiographs and reports provided by our Veterinary Surgeon as we undertake due diligence. This fee is **\$1,000 plus GST.**
- **Bloodstock Insurance.** The cost of this is **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 ongoing contingencies. This sum is usually in the vicinity of **\$8,000 and \$15,000** total per Syndicate. This capital remains the property of the Syndicate and its Members.

### 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, should 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

Note – all figures are in NZ\$

Gun	#140	Syndicate	
	Amount	GST	Total
Horse Purchase Price	48000	0	48000
Promoter Fee	10000	1500	11500
Marketing Fee	7500	1125	8625
Sales/Research Fee	2500	375	2875
Veterinary fee	1000		1000
Insurance to 31 Jan 2024	2900	435	3335
Singapore Transport	17000	0	17000
Working Capital	7665		7665
<b>Grand Total</b>	<b>96565</b>	<b>3435</b>	<b>100000</b>
<b>Share 10%</b>			<b>10000</b>
<b>Share 5%</b>			<b>5000</b>
<b>Share 2.5%</b>			<b>2500</b>
<b>Share 1%</b>			<b>1000</b>

20 shares (each share 5%) @ \$5,000. (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 1<sup>st</sup> June 2023

Finalised by John Galvin on 15<sup>th</sup> March 2023

## Pedigree

### GUN (AUS)

Bay gelding

Foaled 2020

(SIRE)	Not a Single Doubt .....	Redoute's Choice.....	by <b>Danehill (USA)</b> .....
<b>EXTREME CHOICE .....</b>		Singles Bar.....	by Rory's Jester.....
	Extremely.....	Hussonet (USA).....	by Mr. Prospector .....
		Going to Extremes (USA)	by Nasty and Bold.....
(DAM)	Murtajill .....	Rock of Gibraltar (Ire) ....	by <b>Danehill (USA)</b> .....
<b>MURTLE TURTLE.....</b>		Skating .....	by At Talaq (USA) .....
<b>2010</b>		Last Tycoon (Ire).....	by Try My Best.....
	Honey Bouquet .....	Happy Card .....	by Final Card.....

**EXTREME CHOICE (AUS) (Chestnut 2013-Stud 2017). 4 wins-3 at 2, MRC Blue Diamond S., Gr.1. Leading Sire of 2YOs in Aust. in 2020-21. Sire of 63 rnrs, 41 wnrs, inc. SW Stay Inside (ATC Golden Slipper S., Gr.1), She's Extreme, Tiger of Malay, Espiona, Extreme Warrior, Wollombi, Extreme Flight, Extremely Lucky, Xtremetime, SP Don Corleone, Meridius, Extremist, Extreme Threat and of Abseiler, Extreme Spirit, Extreme Step, High Choice, Mohawk Brave, etc.**

#### 1st Dam

**Murtle Turtle**, by Murtajill. **Winner** at 2, A\$96,620, SAJC Protect Your Neck 2YO P., 2d SAJC Breeders' S., **Gr.3**, Sires' Produce S., **Gr.3**, Myer Fashion Trophy, Centrebet 2YO P., Pauls Milk H., Medallion Homes H., 3d SAJC Phyllis Harris Celebrating 90 Years H., Boag's Draught H., 4th SAJC Sportingbet S., **L**. Half-sister to **Excavator**. Dam of 4 named foals, all raced, **3 winners**, inc:-  
 California Deeply (*g by Deep Field*) **3 wins**-1 at 2-at 1000m, 1100m, A\$36,750, HK\$2,634,937, to 2022-23, ATC Harry Angel at Darley 2YO P., HKJC St Andrew's Challenge Quaich H., Robin H., 2d HKJC Chater H., 3d HKJC King Kwong H.  
 Hurtle (*g by Capitalist*) **2 wins**-1 at 2-at 1000m, 1100m to 2021-22, 3d Murray Bridge RC AE&ME Langsford Plasterboard Contractors H.  
 Time for Love (*f by Time for War*) **Winner** at 900m in Aust.

#### 2nd Dam

**HONEY BOUQUET**, by Last Tycoon (Ire). Unraced. Dam of 8 foals, all raced, **7 winners**, inc:-  
**Murtle Turtle** (*f Murtajill*) **Winner**. See above.  
**Excavator** (*g Happy Giggie*) **5 wins** at 1000m, 1200m, S\$364,495, Singapore TC Canada Cup, 2d Singapore 3YO Sprint, **L**, Singapore TC Open H., 3d Singapore TC Saas Fee S., **L**, Joao Moreira H., Kranji A S., 4th Singapore TC Paititi Gold Trophy, **L**.  
 Guffaw. **3 wins** to 1450m, A\$91,462, 3d MVRC Microflite Helicopters P., 4th MVRC St Albans S., **L**.  
 Bel Gold. **3 wins** to 1450m in Aust.  
 Happy Honey. **3 wins**-1 at 2-at 1000m in Aust.  
 Apidae. **Winner** at 850m in Aust.  
 Oriental Reign. **Winner** at 1050m in Macau.

#### 3rd Dam

**Happy Card**, by Final Card. Placed at 2 & 3, 3d SAJC Dequetteville S., **L**. Sister to **Mozaire**. Dam of 9 foals, 6 to race, **2 winners**, inc:-  
 Happy Joker. **2 wins** at 1000m in Aust.  
 Mirthful Lass. **2 wins** at 1000m in Aust.  
 Hee Hee. Placed in Aust.  
 Angel's Wing. Placed at 3 in Aust. Dam of 3 winners-  
**Happy Angel** (*f Happy Giggie*) **6 wins** to 1150m, A\$272,715, SAJC Adelaide Cup Day H., MVRC Essendon Jeep & Hyundai H., SAJC Adelaide Cup March 12 H., 2d MRC Carlyon S., **L**, VRC Henry Bucks Best Dressed H., Flemington 1840-2011 H., Asian Young Guns Challenge H., MRC Waratah H., 3d TRC Bow Mistress Trophy, **L**, MRC Clamms Seafood H., Sportingbet H., WATC Westspeed 2YO P., VRC



