



DISCLOSURE STATEMENT FORTUNA NO 143 SYNDICATE

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, the UK and Singapore, with **Mark Walker/Sam Bergerson** being its principal NZ based Trainer, **Mark Walker** its Australian based Trainer and **Donna Logan** its Singapore based Trainer. **Kevin Myers** also trains some NZ based horses for Fortuna and **Harry Eustace** trains its UK 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:	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 5yo Gelding ZEDWILLDO by Zed out of Katie Spice - he has been allocated the Stable Name "DEZ"
- 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
- DEZ was acquired by John Galvin in a private sale – the vendor being the Cambridge Trainer Diane Kennedy – DEZ will now be prepared for Australian racing, initially at the Matamata Stables of Te Akau Racing but will transfer to their Cranbourne barn late September to pursue a racing career in Australia
- Mark Walker, along with Australian based assistant Trainer Ben Gleeson, will prepare him for race day assignments with a plan for him to make his Australian race day debut in October 2023. Based on his pedigree, physical type and conformation, his best distances are likely to be in the 2000 metre to 3200 metre range
- Given plenty of time by his previous owner to develop and mature, DEZ has only had one trial and once race day start – he has developed into a powerful physical type with plenty of size and scope
- Racing Plans for DEZ in Australia are firstly to win at Maiden level and then progress through the Grades as quickly as possible with an eventual aim of contesting the major distance races in the various Australian racing jurisdictions

4. Bloodstock

(a) Name	ZEDWILLDO
(b) Breeding (Sire/Dam)	Zed – Katie Spice
(c) Sex	Gelding
(d) Foaling Year	2018 (Foaling Date 12th October 2018)
(e) Microchip number	985125000104550
(f) Brand Marks	JB inside C – 5/8

5. Initial Costs and Expenses

(a) Purchase of Bloodstock	
(i) Purchase Date	4th September 2023
(ii) Private Sale	Diane Kennedy - Vendor
(iii) Cost	NZ \$132,000 plus \$1,800 GST
(b) Breakdown of other Initial Costs	
Promoter Fee	\$10,000 plus GST
Marketing and Promotion	\$ 7,500 plus GST
Research/Inspect/Buying Fee	\$ 2,500 plus GST
Vet Reports	\$ 600 plus GST
Insurance	\$ 2,040 plus GST
Australian GST on entry	\$ 3,600 no gst
Working Capital	\$ 10,064 no GST
Other (specify)	Nil

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

Number of shares (5% shares)	20
Cost per share	\$9,000

Please note that at Manager's discretion, shares can be issued in smaller parcels than 5%

6. 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 **\$55,000 exclusive 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. \$250 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) | \$250 per 5% share |
| (ii) | 1st of each month commencing 1st November 2023 |
| (iii) | 03-1557-0246029-021 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

7. 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.

8. Insurance Information

a. Insurer	New Zealand Bloodstock Insurance
b. Term	5th September 2023 to 31 January 2024
c. Value	NZ 140,000
d. Type of policy	Death Only

9. Veterinary Report(s)

Dr Ronan Costello – Dated 4th September 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 or by requesting a copy from NZ Thoroughbred Racing (syndication@nzhorse.co.nz).

10. Valuation Reports

a. Steve Davis`	7th September 2023 A\$132,000
b. Marcus Corban	5th September 2023 A\$132,000

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@nzhorse.co.nz).

11. 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

12. 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.
 - (iv) Special Risks or factors attaching to this Offer. – Nil

13. 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/Great Britain 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, 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 plus GST** 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 \$2,500 plus GST for this syndicate**
- **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\$600 plus GST approx**
- **Bloodstock Insurance.** The cost of this is **2.6% No GST** of the value of the Bloodstock and is paid annually in advance
- **Airfreight to Australia – NZ\$6500** no GST estimate
- **GST on entry to Aus –** this is a requirement of the Australian Government – **NZ\$3600** estimate
- **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\$10,064**

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 **NZ\$55,000 per annum** exclusive 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. Syndicate statements will show the state of each member's current account within the Syndicate. The monthly amount is currently **\$500 per month for a 10% share, \$250 per month per month for a 5% share, \$125 per month for a 2.5% share and \$50 per month for a 1% share. These figures are GST inclusive.**

Under normal circumstances the regular monthly payments made by Members (i.e \$250 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" or "Special" 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\$

Zedwilldo	#143	Syndicate	
	Amount	GST	Total
Horse Purchase Price	133800	0	133800
Promoter Fee	10000	1500	11500
Marketing Fee	7500	1125	8625
Sales/Research Fee	2500	375	2875
Veterinary fee	600	90	690
Insurance to 31 Jan 2024	2040	306	2346
Freight to Australia	6500	0	6500
Aus GST on entry	3600		3600
Working Capital	10064	0	10064
Grand Total	176604	3396	180000
Share 10%			18000
Share 5%			9000
Share 2.5%			4500
Share 1%			1800

20 shares (each share 5%) @ \$9,000. (Note that the Manager has the discretion to issue shares in parcels larger or smaller than 5%)

Ongoing monthly contributions \$250 pm (per 5% share) commencing 1st November 2023

Finalised by John Galvin on 10th September 2023

PEDIGREE

ZEDWILLDO		
Bay Gelding		Foaled in 2018
Sire	Zabeel	Sir Tristram.....Sir Ivor
ZED		Lady GiselleNureyev
2002	Emerald Dream	DanehillDanzig
		Theme Song.....Sackford
Dam	Mastercraftsman	Danehill Dancer..... Danehill
KATIE SPICE		Starlight Dreams.....Black Tie Affair
2011	Queen of Avalon	MontjeuSadler's Wells
		ArganteStar Way
ZED (NZ) (Bay 2002-Stud 2007). Winner at 1600m. Sire of 313 mrs, 180 wnsr, 17 SW, inc. Verry Elleegant (MRC Caulfield Cup, Gr.1), Survived, Jacksstar, Robusto, Waisake, Irish Flame, Jimmy Mac, Ladies Man, Herengawe, Dez, Usainity, Bobby Dazzler - Enzed Beer (Aust.), Tigertiger, Verry Flash, Sir Gus, Ambitious Champion, Anniestar, SP Beaudz Well, Chase, Bobby Dee, Dezella, He No Opillo, Marietta Lane, Zentessa, Zartan and of Count Zero, etc.		
1st dam KATIE SPICE, by Mastercraftsman. Unplaced. Dam of one named foal, one to race.		
2nd dam QUEEN OF AVALON, by Montjeu. Placed at 3. Half-sister to MONACO CONSUL, So Divine . Dam of 9 named foals, all raced, 6 winners, inc:- Sukoot. 4 wns from 1400m to 1850m, A\$148,174, MRC Ladbroke's Multi Builder H., 2d Cranbourne TC Jim Palmer H., 3d VRC Henley Homes APC H., MRC Ladbroke's Cash in H. Royale Elegance. 3 wns at 1400m, 1600m, HK\$3,931,025, HKJC Singapore Turf Club Trophy H., South China Sea H., Lady Royal Oak Offshore H., 2d HKJC Panasonic Nanoe Hair Dryer H., Lukfook Jewellery Dear Q H., Wah Kwong Maritime Transport H., Citi Global Banking H., Shek Kip Mei H., PT Bridal Collection H., Kate H., HKU Faculties of Business & Economics & Science H., Absolute Champion H., 3d HKJC Ping Shek H., Ebenezer School Anniversary Cup, University Hall H., Po Yan H. Dor Dor. 2 wns at 1650m, HK\$2,261,745, HKJC Wai Yip H., Tsing Yi H., 2d HKJC Wong Nai Chung H., Sha Tin Clubhouse H., Solar Hei Hei H., 3d HKJC Paterson H., Tsung Pak Long H., Jordan H., Riding for the Disabled H. Epinart. 4 wns at 1350m, 1500m in Macau. King of Avalon. 2 wns at 2050m, 2100m to 2022-23 in Aust. Ocean Road. Winner at 1600m in 2022-23.		
3rd dam ARGANTE, by Star Way. Unraced. Sister to CON AIR , half-sister to MILITARY PLUME . Dam of 14 named foals, all raced, 7 winners, inc:- MONACO CONSUL (High Chaparral). Head of 2009-10 NZ 3YO Free H (1601m+). 3 wns from 1400m to 2500m, NZ\$23,800, A\$1,470,300, Victoria Derby, Gr.1 , AJC Spring Champion S., Gr.1 , 3d AJC Queen Elizabeth S., Gr.1 , Australian Derby, Gr.1 , MRC Caulfield Cup, Gr.1 Sire, So Divine (High Chaparral). Winner at 1600m, 3d Manawatu Classic, Gr.3 , CJC Warstep S., L , WRC Pacific Jewellers 3YO H. Dam of- Re Edit (Camelot). 3 wns from 1400m to 1600m, A\$355,970, ATC Daily Press P, MVRCA Tua's Half Century H., 2d VRC Inglis Bracelet, Merry Christmas H., MRC Geoff Murphy H., Scone RC Segenhoe Stud H., 3d BRC PJ O'Shea S., Gr.2 , ATC Coolmore Stayer's Cup H., Harrolds H., Membership H. Teodora (Teofilo). 3 wns from 1300m to 2000m, A\$115,350, MRC Ladbroke's Odds H., 2d MRC Big Screen Company H., BRC Priceline Pharmacy Ascot P., 3d SAJC South Australia Fillies Classic, Gr.3 , VRC Nominate Now for All-Star H., 4th MRC Ethereal S., Gr.3 .		
4th dam Ultraviolet , by In the Purple. 6 wns from 1200m to 2000m, HBJC President's H., Wairarapa RC President's H., 3d WRC Summer H., L , Carterton RC Wairarapa Thoroughbred Breeders' S., L . Sister to FRIVOLOUS LASS (dam of WILD RAMPAGE), half-sister to SEALEGS . Dam of 8 foals, 7 to race, 5 winners, inc:- MILITARY PLUME (Sir Tristram). Third on The 1986-87 Australasian 3YO Classification (1300m-2000m). 8 wns-3 at 2-from 1100m to 2150m, A\$929,530, Australian Guineas, Gr.1 , WATC Rothwells S., Gr.1 , VRC Craiglee S., Gr.2 , SAJC Breeders' S., Gr.2 , VATC JJ Liston S., Gr.2 , Pinjarra RC Millionaire Sires' S., Gr.3 , VRC Criterion H., L , SAJC Jovial Knight H., 2d VRC Sires' Produce S., Gr.1 , MVRCA William Reid S., Gr.1 , WATC Australian Derby, Gr.1 , Australasian S., Gr.1 , VATC Sandown Guineas, Gr.2 , 3d VRC LKS Mackinnon S., Gr.1 , Western Australian Derby, Gr.1 , 4th VATC Underwood S., Gr.1 , CF Orr S., Gr.2 Sire. CON AIR (Star Way). 8 wns from 1400m to 1700m, 235,872Rgt., S\$506,331 in Malaysia and Singapore, Singapore TC Raffles Cup, L , Committee's Prize, Selangor TC Class 1 H., Singapore TC Class 1 H., 2d Singapore TC Class 1 H., 3d Singapore TC Raffles Cup, L , Singapore Cup, Singapore New Year 2000 H. Limbs. Raced twice. Dam of- Whanadance. Unraced. Dam of- KOUNTHEKASH (Kashani). 8 wns from 1200m to 2000m, NZ\$8,840, A\$358,810, Mornington Cup, L , VRC Byron Moore H., Williamstown H., MRC Selangor Turf Club H., Abdul H., 2d VRC Piping Lane H., 3d MRC Robert Taranto H., City of Greater Dandenong Cup H., VRC Longines P., 4th VRC Hong Kong Jockey Club S., L , Paris Lane S., L , MRC Victoria Gold Cup, L .		
Race Record : 1 Starts 0-0-0 NZ\$370.		
Raced once.		

