



DISCLOSURE STATEMENT FORTUNA SYNDICATE NO 146

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/Sam Bergerson** being its principal NZ based Trainers 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 EL ROCA out of MEGARA – no racing name yet, but has been assigned the stable name "MEG".
- 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.
- MEG was acquired at the NZ Bloodstock National Yearling Sale on 28 January 2024 – she has been transported to Te Akau Stud where she will have a 6 week paddock spell before being broken in. Once broken in she will be transferred to the care of Fortuna's NZ Trainers, Mark Walker and Sam Bergerson, 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, Meg presents as a genuine middle distance/staying type who will benefit from a patient preparation – at the same time she is a September foal and quite forward, and so there is a possibility that she could run as an Autumn 2yo in 2025

5. Bloodstock

- | | |
|-------------------------|--|
| (a) Name | No Racing name yet, but nicknamed "MEG" |
| (b) Breeding (Sire/Dam) | EL ROCA – MEGARA |
| (c) Sex | Filly |
| (d) Foaling Year | 2022 (DOB 11/09/2022) |
| (e) Microchip number | 985125000131356 |
| (f) Brand Marks | G/H - 87/2 |

6. Initial Costs and Expenses

- | | |
|--------------------------------------|---|
| (a) Purchase of Bloodstock | |
| (i) Purchase Date | 28TH JANUARY 2024 |
| (ii) Public Auction | NZ BLOODSTOCK NATIONAL YEARLING SALE |
| (iii) Cost | \$105,000 Plus GST |
| (iv) | |
| (b) Breakdown of other Initial Costs | |
| Promoter Fee | \$ 10,000 plus GST |
| Marketing Fee | \$ 7,500 plus GST |
| Sales/Research Fee | \$ 2,500 plus GST |
| Karakā Millions Series Fee. | \$ 3,000 plus GST |
| Vet Reports | \$ 900 plus GST |
| Insurance | \$ 4,100 plus GST |
| Working Capital | \$ 7,050 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\$8,000

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 **\$52,000 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 2024 |
| (iii) | 03-1557-0246029-024 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 2024 to 31st January 2025
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 2024

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

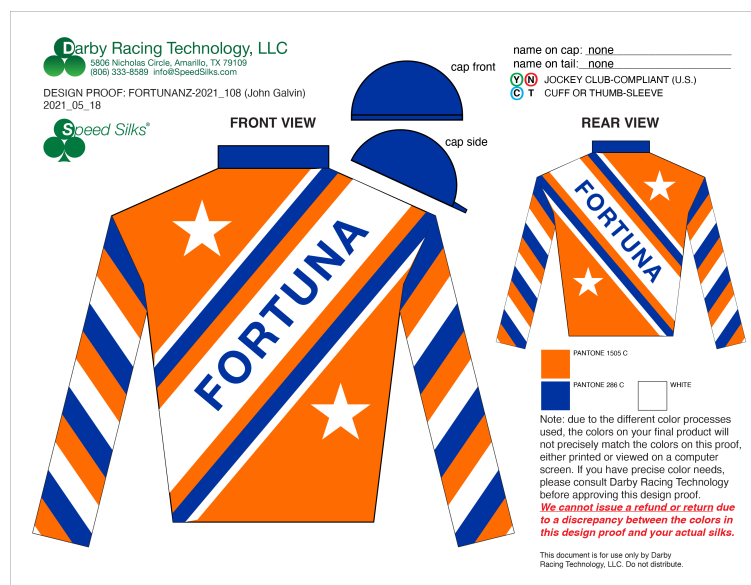
- The Syndicate Agreement which governs the Syndicate is attached

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 \$2,500 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\$7,000 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 **\$52,000 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. Statements showing the financial position of the syndicate and/or each member's current account within the Syndicate are available on request. 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

El Roca Filly	#146	Syndicate	
	Amount	GST	Total
Horse Purchase Price (NZ\$)	105000	15750	120750
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	0	0	0
Insurance	4100	615	4715
Working Capital	7,050	0	7050
Other			
Grand Total	\$140,050	\$19,950	\$160,000
Cost of Share 10%			\$16,000
Cost of Share 5%			\$8,000
Cost of Share 2.5%			\$4,000
Cost of Share 1%			\$1,600

20 shares (each share 5%) @ \$8,000. (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 2024

Finalised by John Galvin on 1st February 2024

PEDIGREE

BAY FILLY

Foaled 11th September 2022

Sire	Fastnet Rock	Danehill	Danzig
EL ROCA (AUS)		Piccadilly Circus	Royal Academy
2010	Rubimill	Rubiton	Century
		Mill Rani	Millionaire
Dam	Encosta de Lago	Fairy King	Northern Dancer
MEGARA		Shoal Creek	Star Way
2005	Make Me Strong	Danehill	Danzig
		Reinforce	Bates Motel

EL ROCA (AUS) (Bay 2010-Stud 2015). 3 wins to 1200m, ATC Eskimo Prince S., L. Sire of 237 mrs, 142 wms, 10 SW, inc. Travelling Light (WRC Levin Classic, Gr.1), Romancing the Moon, Paleontologist - Lucky Patch (H.K.), Mali Ston, White Noise, Irish Girl, Renegade Rebel, Rocababy, Ima Roca Bee, Canheroc, SP Miss Rockette, Faraglioni, Flash Mary, Wewillrock, Norwegian Bliss, Old Town Road, Bella Mente, Moeraki, Esta la Roca, Miss Cartier, etc.

1st dam

MEGARA, by Encosta de Lago. Winner at 1200m in Aust. Three-quarter-sister to **Simply Optimistic**, half-sister to **Dreamer**. This is her eighth foal. Her seventh foal is a 2YO. Dam of five foals to race, four winners:-

RED STRIKER (f by Red Giant) 4 wins at 1100m, 1200m, NZ\$129,050, ARC Newmarket H., L, JR Webb & Son H., Eye Magazine H., 2d ARC Darley P, **Gr.3**, Mr Tiz Trophy, **Gr.3**, Matamata RC Waikato Stud H., 3d ARC DHL 2YO H., Matamata RC Westbury Waikato H., ARC Super Fence H. Dam of-

Red Sniper. Winner at 1050m in 2023-24.

Accidental Tourist (g by Telperion) 4 wins from 1200m to 1600m, NZ\$113,500, in 2022-23, Manawatu RC Murray Free Contracting S., Rotorua RC Sherlock Contracting S., Wanganui JC Dave Hoskin Carriers S., 2d BOP RC Ray White Papamoa H., 3d Wanganui Guineas, L, Levin RC Central Districts Trainers Association H., Cambridge JC Cambridge Raceway S., Otaki Maori RC Riverstone Cafe H.

Mega Bourbon (g by El Roca) 3 wins at 1200m, NZ\$83,515, Waikato RC NZB Breeze Ups 12-13 October S., BOP RC Devan Plastics H., 2d Auckland TR Network Visuals H., Waikato RC Waikato Draught H., Matamata RC J Swap Contractors H., 3d Auckland TR Monstavisian H., 4th Auckland TR Hallmark Stud H., L.

King of Thebes (g by Testa Rossa) Winner at 1250m in Aust.

Bayamo (f by Postponed) Placed.

2nd dam

MAKE ME STRONG, by Danehill. Winner at 1500m, 2d MRC Carlton Draught H., 4th VRC Edward Manifold S., **Gr.2**, Moonee Valley Oaks, **Gr.2**. Three-quarter-sister to **Verstak**, half-sister to **Show of Force** (dam of **ATOMIC FORCE**), Strengthened (dam of **KANTE - LUCKY STAR (MAL.)**). Dam of 15 foals, 13 to race, 9 winners, inc:-

Dreamer (More Than Ready) Winner at 1400m, 2d CJC Canterbury Belle S., L, Levin RC 104.2 More FM 2YO H. Producer.

Perpetual Joyance. 7 wins at 1000m, 1200m, HK\$6,996,325, HKJC Cannon H., Po Yan H., Ho Man Tin H., HKU Faculty of Science H., Merlion H., Chevalier Enterprise H., Lockhart H., 2d HKJC Lord Kanaloa H., Lai Chi Chong H., Caine H., Korea Racing Authority Trophy H., Tsui Man H.

Tarantino. Winner at 1400m, SAJC Holdfast Insurance P, 2d SAJC White Marquee H., 3d SAJC 13Cabs H.

Aceme. Winner at 1700m, 3d BRC Paddyfest H.

Assertion. Winner at 1600m, 2d MVRC Browns Sawdust & Shavings H., VRC Tributes H., MRC Sportingbet H., MVRC Win a Trip to Royal Ascot H., 3d MVRC TEAC H., MRC Le Pine Funerals H. Producer.

Tallawah. 2 wins at 1200m, 1750m to 2023-24 in Aust.

Iron Rose. Winner at 1850m in Aust. Dam of-

Simply Optimistic (Encosta de Lago) 6 wins at 1200m, 1300m, NZ\$34,000, A\$236,650, ATC Tab.com.au H., MVRC MSC Signs Lockdown Legend H., 2d Bendigo JC Drinking Driving They're Better Apart H., 3d Warnambool RC Wangoom H., L, MRC Neds Filter Form H., Ladbrokes Odds Boost H.

Iron Grace. Winner at 1350m in 2022-23, BRC Racecourse Village H., 3d BRC Millers Swim School H., Stradbroke Ball 2YO H., Sky Racing H.

3rd dam

REINFORCE, by Bates Motel. Winner at 1300m, STC Christmas Goodwill H. Half-sister to **ENCOUNTER Janole**. Dam of 12 foals, 11 to race, 5 winners, inc:-

Show of Force (Luskin Star) 2 wins at 2, A\$96,720, STC Tonga 2YO H., Elizabeth Farm 2YO H., 2d STC Sweet Embrace S., **Gr.3**, 3d AJC Sires' Produce S., **Gr.1**, STC Magic Night S., **Gr.2**, AJC Kindergarten S., L, 4th AJC Champagne S., **Gr.1**. Dam of-

ATOMIC FORCE (Danehill Dancer) 11 wins-1 at 2-to 1200m, NZ\$176,000, A\$777,950, ATC Galaxy H., **Gr.1**, ARC Railway S., **Gr.1**, ATC Maurice McCarten S., L, MRC Heath S., L, ATC Hylands Kids Colours Welter H., AJC Thakral Holdings H., Coogee Dolphins H., ATC TAB Number 1 Club H., STC 2GB H., Matthew Talbot Race Day P, 2d WRC Telegraph H., **Gr.1**, BRC Victory S., **Gr.2**, STC The Big 6 H., 3d AJC San Domenico S., **Gr.3**, MVRC Ian McEwen S., **Gr.3**, ATC Starlight S., L, 4th ATC Sebring S., **Gr.3**, MVRC Carlyon S., L.

Strengthened. Unplaced. Dam of-

KANTE - LUCKY STAR (Mal.) (Postponed) 2 wins at 1200m in Malaysia, Perak TC Malaysia 3YO Championship Final, L.