



## DISCLOSURE STATEMENT FORTUNA SYNDICATE NO 148

### 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, Australia, Singapore and Great Britain with **Mark Walker/Sam Bergerson** being its principal NZ/Australian 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:	<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>

### 4. Business Plan

- This Syndicate will race just one horse, that being the Yearling Filly by WRITTEN TYCOON out of SELICA – no racing name yet, but has been assigned the stable name "SILKY".
- 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.
- "SILKY" was acquired at the NZ Bloodstock National Yearling Sale on 29 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 1100 metre to 1600 metre range.
- A strong, well grown filly with a 2nd September foaling date, "SILKY" presents as a type who is a strong chance to race as a Two Year Old, but does have the scope and physique to train on as a 3yo – we think however that she has a "natural 2yo" look about her and that she could well be up and running before Christmas, which puts her nicely in the frame as a genuine Karaka Millions 2yo (run for a Stake of \$1m) prospect with that race being run late January 2025.

## 5. Bloodstock

- |                         |   |
|-------------------------|---|
| (a) Name                | No Racing name yet, but nicknamed "SILKY" |
| (b) Breeding (Sire/Dam) | WRITTEN TYCOON - SELICA                   |
| (c) Sex                 | Filly                                     |
| (d) Foaling Year        | 2022 (DOB 02/09/2022)                     |
| (e) Microchip number    | 985125000132568                           |
| (f) Brand Marks         | NP - 13/2                                 |

## 6. Initial Costs and Expenses

- |                                      |                                      |
|--------------------------------------|--------------------------------------|
| (a) Purchase of Bloodstock           |                                      |
| (i) Purchase Date                    | 29TH JANUARY 2024                    |
| (ii) Public Auction                  | NZ BLOODSTOCK NATIONAL YEARLING SALE |
| (iii) Cost                           | \$120,000 Plus GST                   |
| (iv)                                 |                                      |
| (b) Breakdown of other Initial Costs |                                      |
| Promoter Fee                         | \$ 12,000 plus GST                   |
| Marketing Fee                        | \$ 7,500 plus GST                    |
| Sales/Research Fee                   | \$ 2,500 plus GST                    |
| Karakas Millions Series Fee.         | \$ 3,000 plus GST                    |
| Vet Reports                          | \$ 900 plus GST                      |
| Insurance                            | \$ 4,400 plus GST                    |
| Working Capital                      | \$ 7,155 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\$9,000

**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) 1 <sup>st</sup> of each month commencing 1 <sup>st</sup> April 2024   |
| (iii) 03-1557-0246029-026 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        | <b>New Zealand Bloodstock Insurance</b>                  |
| b. Term           | <b>30th January 2024 to 31<sup>st</sup> January 2025</b> |
| c. Value          | <b>\$130,000 incl GST if any</b>                         |
| d. Type of policy | <b>Death Only</b>  |

## 8. Veterinary Report(s)

**Dr Ronan Costello - Dated 30<sup>th</sup> 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](mailto:john@fortuna-nz.com) or by requesting a copy from NZ Thoroughbred Racing ([syndication@nzhorse.co.nz](mailto:syndication@nzhorse.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

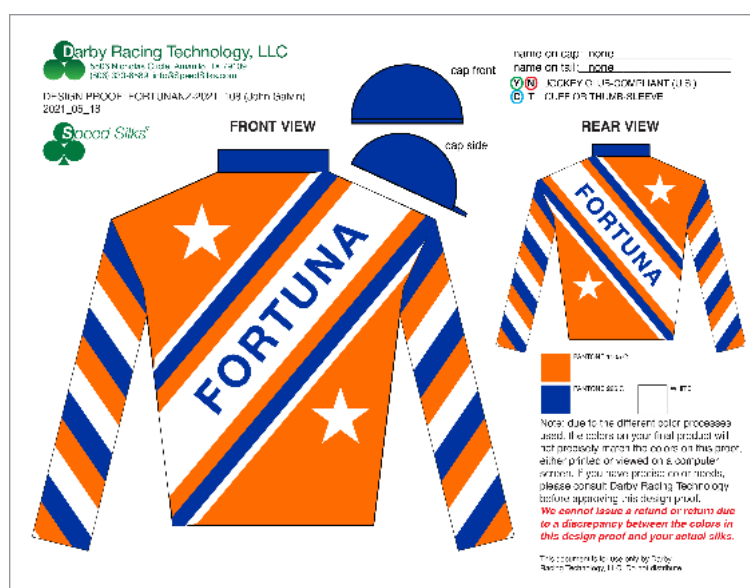
**- The Syndicate Agreement which governs the Syndicate is attached**

## 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](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** - the fee for this Syndicate is **\$12,000 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

Written Tycoon Filly	#148	Syndicate	
	Amount	GST	Total
Horse Purchase Price (NZ\$)	120000	18000	138000
Promoter Fee	12000	1800	13800
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	4400	660	5060
Working Capital	7,155	0	7155
Other			
<b>Grand Total</b>	<b>\$157,455</b>	<b>\$22,545</b>	<b>\$180,000</b>
<b>Cost of Share 10%</b>			<b>\$18,000</b>
<b>Cost of Share 5%</b>			<b>\$9,000</b>
<b>Cost of Share 2.5%</b>			<b>\$4,500</b>
<b>Cost of Share 1%</b>			<b>\$1,800</b>

**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 \$220 pm (per 5% share) commencing 1<sup>st</sup> April 2024**

**Finalised by John Galvin on 4th February 2024**

**BAY FILLY (AUS)**

(Branded      Foaled 2nd September 2022)

(SIRE)	Iglesia .....	Last Tycoon (Ire).....	by Try My Best.....
<b>WRITTEN TYCOON.....</b>		Yodells .....	by Marsday.....
	Party Miss .....	Kenmare (Fr).....	by Kalamoun.....
		Miss Entertainer.....	by Vain.....
(DAM)	Makfi (GB).....	Dubawi (Ire).....	by Dubai Millennium .....
<b>SELICA (NZ).....</b>		Dhelaal .....	by Green Desert.....
<b>2016</b>	Western Star.....	High Chaparral (Ire).....	by Sadler's Wells.....
		Alberton Star .....	by Stylish Century .....

**WRITTEN TYCOON (AUS) (Chestnut 2002-Stud 2007). 2 wins at 2, STC Todman Slipper Trial S., Gr.2. Champion Sire in Aust. in 2020-21. Sire of 1124 mrs, 860 wns, 60 SW, inc. Coolangatta (VRC Lightning S., Gr.1), Capitalist, Ole Kirk, Written By, La Luna Rossa, Pippie, Tycoon Tara, Music Magnate, Despatch, Booker, Tyzone, Odeum, Kissonallforcheeks, Howmuchdoyouloveme, Super Cash, Winning Rupert, Rich Enuff, Captured by Love, Dirty Work, Enthaa, etc.**

**1st Dam**

**Selica (NZ), by Makfi (GB). 2 wins** at 1200m, 1400m, A\$149,760, MRC Clanbrooke Racing H., 2d SAJC Schweppervescence S., **Gr.3**, ATC Kearney Racing H., 3d Gosford RC Belle of the Turf H., **Gr.3**, VRC Furphy Ale H., ATC Siege of Tobruk H., 4th MVRC Alexandra S., **Gr.3**. Half-sister to **WYNDSPELLE**. This is her first foal.

**2nd Dam**

**WESTERN STAR (NZ), by High Chaparral (Ire). Winner** at 1400m. Half-sister to **LADY ALBERTON, ALBERTON PARK**. Dam of 7 foals, 6 to race, **3 winners**, inc:-

**WYNDSPELLE (c Iffraaj) 4 wins**-1 at 2-from 1200m to 2000m, NZ\$522,650, A\$164,590, WRC Captain Cook S., **Gr.1**, Waikato Guineas, **Gr.2**, Manawatu RC Humphries Construction H., Waikato RC Foster Maintain 2YO H., 2d ARC Diamond S., **Gr.1**, Hawkes Bay Tarzino Trophy, **Gr.1**, WRC Thorndon Mile, **Gr.1**-twice, Otaki Maori RC WFA S., **Gr.1**, WRC Anniversary S., **Gr.3**, VRC Paris Lane S., **L**, MRC Ladbrokes National Jockey Trust H., Rangitikei RC Wai Pine Bulls Country Cup, 3d VRC Cantala S., **Gr.1**, Hawkes Bay Windsor Park P., **Gr.1**, Waikato RC James & Annie Sarten Memorial S., **Gr.2**, MRC John Dillon S., **L**, Whangarei RC Northland Breeders S., **L**, ARC Conveyancing Shop Lawyers H., 4th Hawkes Bay Windsor Park P., **Gr.1**, Manawatu Challenge S., **Gr.2**, MRC TS Carlyon Cup, **Gr.3**, VRC March S., **L**.

**Selica (f Makfi) 2 wins**. See above.

Allinthisogether. **Winner** at 1600m in Aust.

**3rd Dam**

**ALBERTON STAR, by Stylish Century**. Second top filly on The 1999-2000 NZ 2YO Free H. **4 wins** at 2, Taranaki 2YO Classic, **Gr.2**, ARC Eclipse S., **Gr.3**, Waikato RC New Zealand Bloodstock Juvenile H., 3d ARC Pinto Bonecrusher Club 3YO H. Half-sister to **SIR ALBERTON, STRAUSSBRIDGE** (dam of **TE AKAU ROSE**), Alberton Magic (dam of **MAGIC BRIAR**). Dam of 11 foals, 10 to race, **8 winners**, inc:-

**LADY ALBERTON (f Golan) 2 wins**-1 at 2-at 1200m, 1400m, NZ\$105,575, ARC Eclipse S., **Gr.3**, BOP RC Zest 2000 3YO H., 2d Waikato RC Star Way S., **L**, Hawkes Bay Bay Ford 3YO H., BOP RC Eric Pinker Memorial H., 3d ARC Eight Carat Classic, **Gr.2**, Counties Challenge S., **L**, Waikato RC Wentwood Grange 3YO H., 4th WRC Wakefield Challenge S., **Gr.2**. Producer.

**ALBERTON PARK (f Thorn Park) 7 wins** to 1350m, A\$399,700, ATC June S., **L**, BRC Lot 573 at Magic Millions H., ATC Australian Turf Club H., BRC Strategic Airlines P., Montrose Access Ownit Homes H., Events P., Mimiki Foundation H., 2d ATC Triscay S., **L**, BRC Bright Shadow H., **L**, Ormiston College H., Race-Tech Australia H., QTC Mothers Day-The Sky Restaurant