

“LEADING IN A WINNER IS BETTER THAN SEX”

Legendary coal magnate Graham Beck who could afford any whim of his choosing, reportedly once described horse racing as “the only game in town” and the leading in of a winner as “better than sex”. A legend in his own lifetime Beck used his millions to invest in racehorses and breeding stock on three continents and became one of the world’s major investors in thoroughbreds.

To a degree horseracing has often been misjudged, being known as it is as the “Sport of Kings”. While it is not a cheap sport, horseracing abounds with tales of rags to riches and it is probably true to say that buyers of medium to lower priced horses at the various TBA sales arenas generally achieve better returns than the big spenders who lash out millions on acquiring the more exotic stock. Although owning a winning racehorse is a lifelong desire of many racing fans, it doesn’t have to remain a romantic dream – it can become a real life thrilling experience. The thoroughbred industry encourages new owners at all financial levels and there are any number of experts who will happily assist.

Like any new endeavour, it is sensible to undertake a little research which in racing can be fun, accompanied as it often is with some refreshment, but the best way to start is by

- a) reading as much as you can about the sport and the art of racing, either in that excellent publication *Sporting Post* or visiting one of the numerous websites devoted to horse racing and form. (tba.co.za, formgrids.co.za, goldcircle.co.za, saracing.com etc), then
- b) visit some horse auctions with a trainer or bloodstock agent.
- c) speak to successful owners who can put you in touch with trainers you can respect
- d) visit the race course and soak up the atmosphere
- e) watch Teletrack on channel 232. Apart from running all the races in South Africa is also populated by entertaining programmes like *Winning Ways*, *World Focus* and *Winners Circle*. In particular tune in at 7.30am each Saturday. You will be thoroughly entertained by the witty repartee among the well know gamblers and players who are guests each week.
- f) visit the SA Jockey club website, there you will find rules and regulations, results and statistics

IS THIS FOR ME?

Investing in a magnificent thoroughbred offers exciting sporting prospects and if you let it, may even open other vistas of social whirls and business opportunities. But it is important to recognize that it is nevertheless a speculative venture. Before you get

involved you need to accept that horses are not machines and there is no “guarantee” to your investment. The risks are high but the rewards both financial and emotional can be substantial. The secret is to find your own financial comfort zone.

SOME BASIC INFORMATION YOU SHOULD KNOW.

It is important to begin by answering the following questions. What level of financial commitment do I want to allocate to my racing interests?

Determine the total amount of your disposable capital you are prepared to invest and then develop a budget that includes the purchase of your horse/s and forecasted monthly expenses. This is a good guide in determining the best form of ownership for you.

WOULD YOU PREFER TO INVEST AS AN INDIVIDUAL OR IN A GROUP?

Your level of investment should serve as a guide in determining the best form of ownership for you. You may be the type of person who prefers to take control, assume all the risks and receive all the rewards. Or, do you prefer to spread your risks and share the rewards?

Financial commitment to the owning of a race horse can be divided into two parts, the original purchase price, and then the cost of keeping and campaigning your wonderful new friend. Allow annual costs of R60/70 000 depending on what arrangement you have made with your trainer.

WHAT TIME PERIOD IS INVOLVED?

As a beginner we would always advise you to purchase a horse-in- training or ready- to- run at one of the TBA sales (you will see the dates of these various sales on the TBA website). You will experience the thrill of participation and even winning far sooner. Buying a yearling means a wait of up to two years or more before you can enjoy the romance of leading in your first winner! Only you can answer these questions



TYPES OF OWNERSHIP

You can own a horse outright in your own name and sporting your magnificent new colours. You can own a horse in a partnership with one or more other friends

or in a syndicate (usually more than six owners)

Or you can lease a horse, usually a filly, from a breeder but Sea Cottage, July winner and stallion, was a leased horse

SOLE OWNERSHIP means that you are responsible for all the costs of owning the racehorse (purchase price, training fees, veterinary bills etc.). This also ensures that you will be the main beneficiary of any stakes earned or at the subsequent sale of the horse.

PARTNERSHIP OR SYNDICATION means sharing the costs and benefits of ownership and the excitement of race days which makes this option a popular one for first-time owners. It also allows owners to spread their investment and enjoy an interest in more than one horse

SYNDICATES consist of six or more owners. It's a low cost option and allows owners to invest in quite a number of horses, increasing the chances of having an interest in a winner. There are new style syndicates where, through a trainer, you can arrange for modest monthly payments which include not only the running costs but also the original purchase price. Trainer Gavin van Zyl who has yards in both Gauteng and KZN is one of the pioneers in this form of syndicate and has introduced many new owners to racing in this manner and they all have plenty of fun, some owning shares in as many as 10 horses for a comparative modest monthly outlay.

COMPANIES AND CLOSE CORPORATIONS can also register with The National Horseracing Authority (the new name for the Jockey Club) as owners of racehorses.

LEASING involves ownership of a racehorse for a set period of time. The horse owner, usually the breeder, leases the racing career of a horse to a temporary owner or syndicate. The terms of the lease may vary, but is often for a fixed period e.g. three years. The breeder will require between 25% and 35% of stakes won, but this is for negotiation. The advantages of leasing are

that there is no capital outlay and in most cases breeders lease their best fillies in the hope that the animal will win a few top races and then the stud will benefit. Breeders leasing horses will often retain the right to approve the trainer. The disadvantage of leasing is that if your horse is highly successful only the breeder will benefit from the enhanced value that accrues to a top performer and you will face an emotional wrench when the lease is over. But remember, a leased horse runs in your colours as "owner".

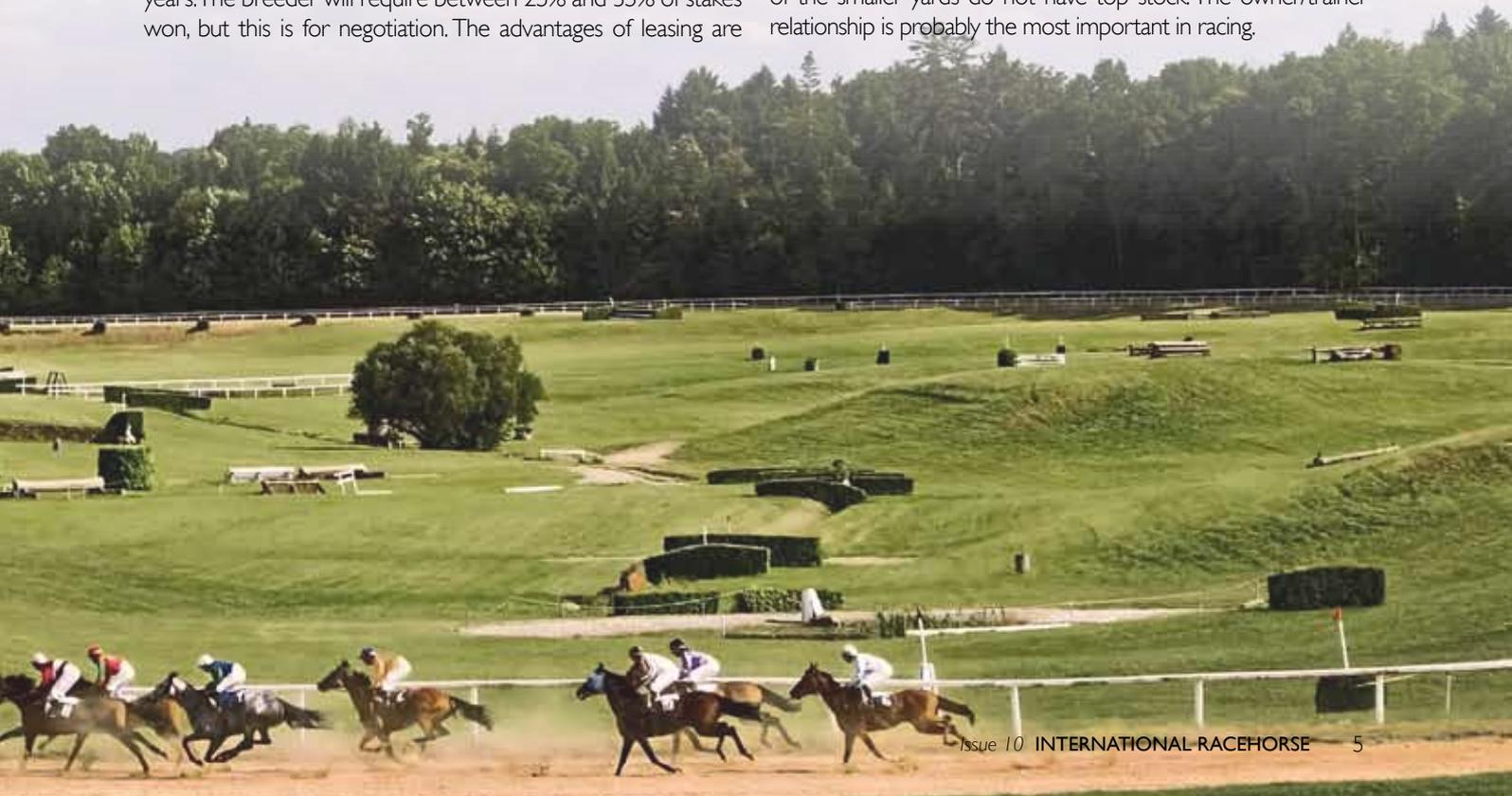
CHOOSING AN ADVISOR

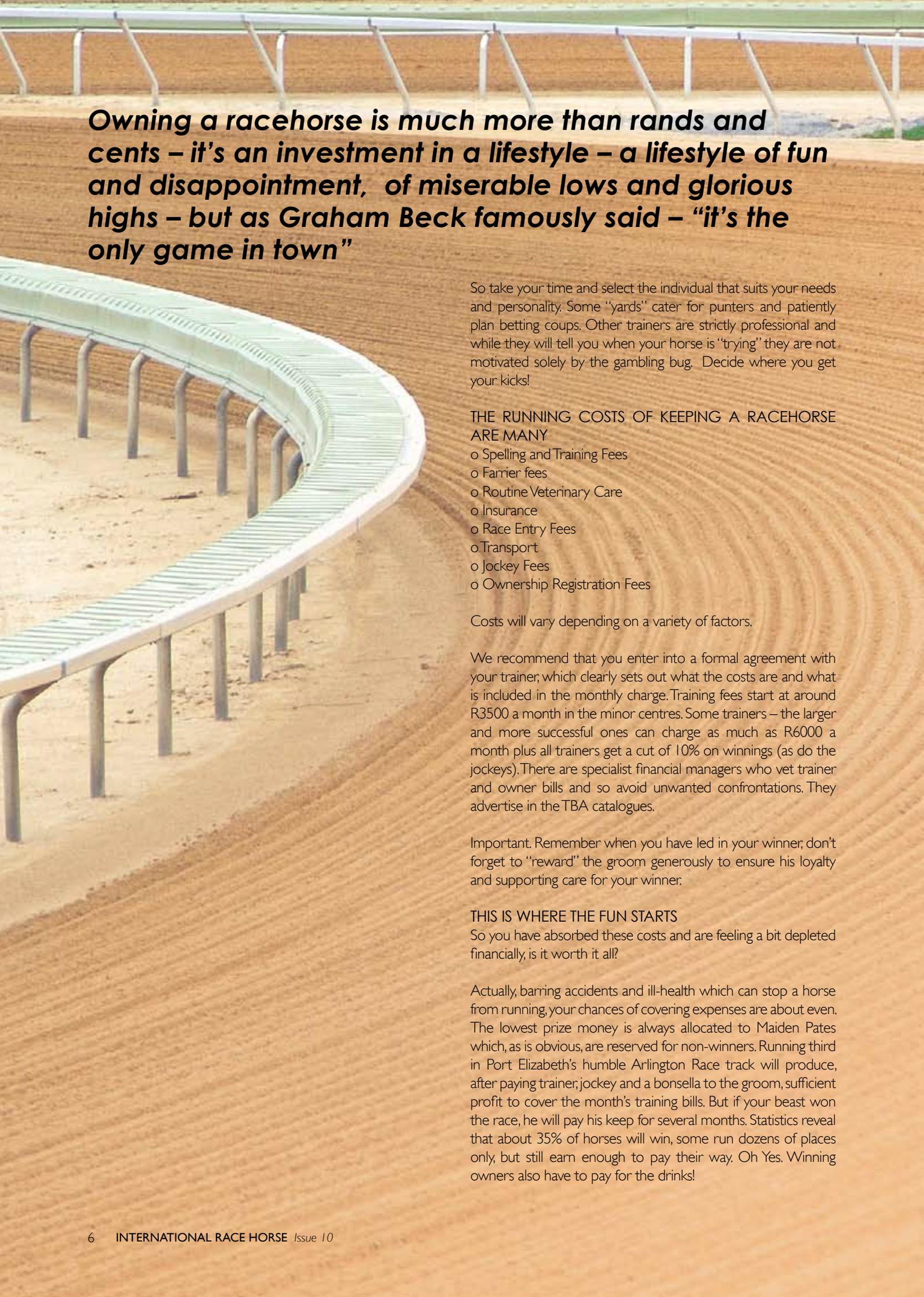
Thoroughbred horseracing is a team sport. If you're new in the industry, don't try and buy a horse without looking for assistance. It would be wise to exercise as much care in selecting your trainer or bloodstock agent as you would in selecting a horse. Consultants or advisors can come in many shapes and sizes and there is always someone happy to give you the "benefit of his expertise". So take your time in selecting your trainer, bloodstock agent, pedigree advisor, veterinarian or best friend when you develop your dream team. The Racing Association has been established to assist owners and a visit to their website is a must. You can always give the boss – Larry Weinstein – a call. He is a dedicated racing man with a ton of ideas and much advice to give.

SELECTING A TRAINER

In choosing your trainer it is advisable to select one that is based not too far from your home so you can cultivate the delightful habit of visiting his "yard" frequently, never forgetting the mints or carrots for your steed. He will love you for them.

Every week the Sporting Post publishes statistics on racing and breeding. Study the trainers' performance charts. Some trainers prefer to run small, quality yards with a minimum band of owners. Although they may not be log-leaders, their percentage of winners to runners is often a good yardstick but bear in mind that some of the smaller yards do not have top stock. The owner/trainer relationship is probably the most important in racing.





Owning a racehorse is much more than rands and cents – it's an investment in a lifestyle – a lifestyle of fun and disappointment, of miserable lows and glorious highs – but as Graham Beck famously said – “it's the only game in town”

So take your time and select the individual that suits your needs and personality. Some “yards” cater for punters and patiently plan betting coups. Other trainers are strictly professional and while they will tell you when your horse is “trying” they are not motivated solely by the gambling bug. Decide where you get your kicks!

THE RUNNING COSTS OF KEEPING A RACEHORSE ARE MANY

- o Spelling and Training Fees
- o Farrier fees
- o Routine Veterinary Care
- o Insurance
- o Race Entry Fees
- o Transport
- o Jockey Fees
- o Ownership Registration Fees

Costs will vary depending on a variety of factors.

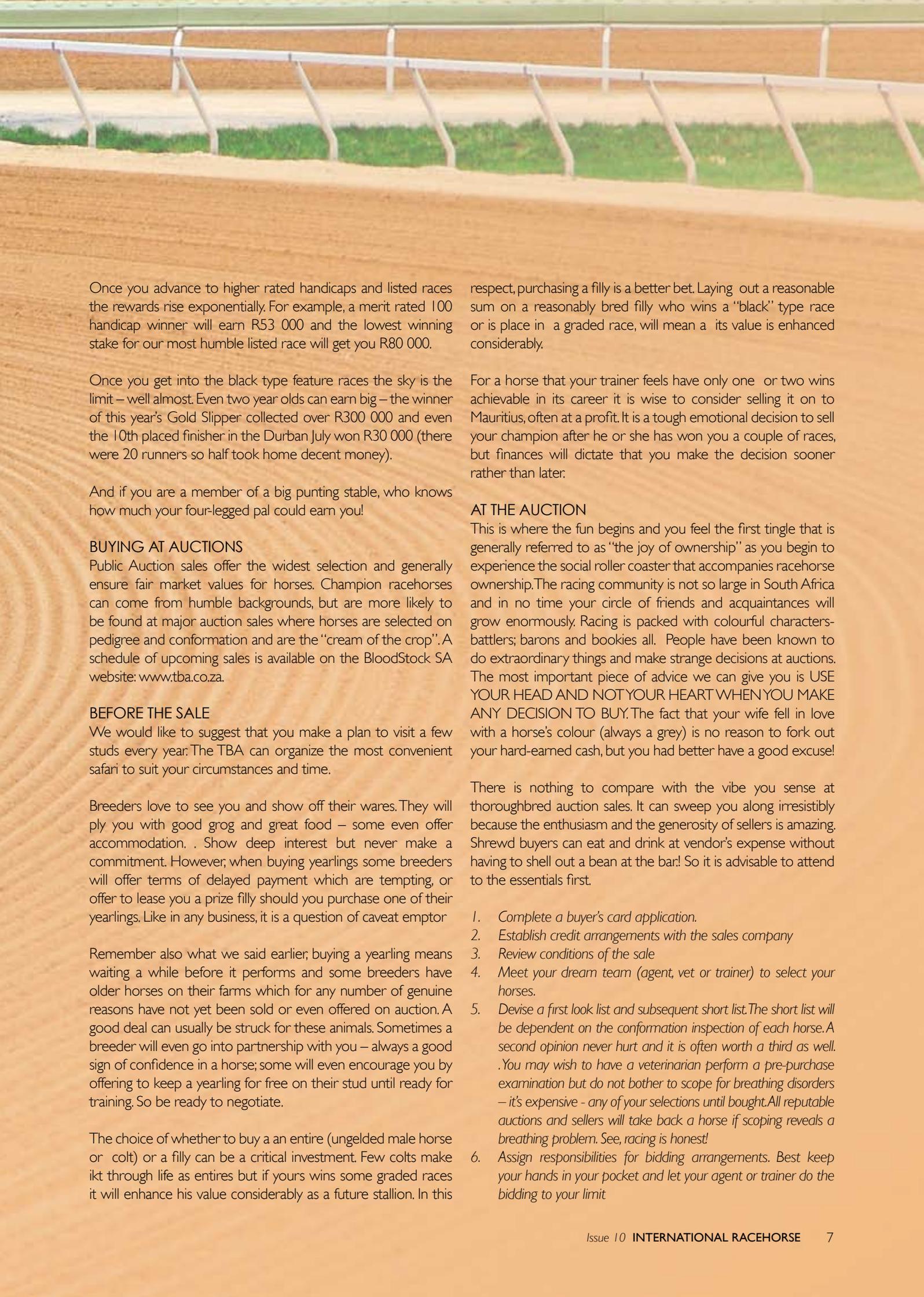
We recommend that you enter into a formal agreement with your trainer, which clearly sets out what the costs are and what is included in the monthly charge. Training fees start at around R3500 a month in the minor centres. Some trainers – the larger and more successful ones can charge as much as R6000 a month plus all trainers get a cut of 10% on winnings (as do the jockeys). There are specialist financial managers who vet trainer and owner bills and so avoid unwanted confrontations. They advertise in the TBA catalogues.

Important. Remember when you have led in your winner, don't forget to “reward” the groom generously to ensure his loyalty and supporting care for your winner.

THIS IS WHERE THE FUN STARTS

So you have absorbed these costs and are feeling a bit depleted financially, is it worth it all?

Actually, barring accidents and ill-health which can stop a horse from running, your chances of covering expenses are about even. The lowest prize money is always allocated to Maiden Pates which, as is obvious, are reserved for non-winners. Running third in Port Elizabeth's humble Arlington Race track will produce, after paying trainer, jockey and a bonella to the groom, sufficient profit to cover the month's training bills. But if your beast won the race, he will pay his keep for several months. Statistics reveal that about 35% of horses will win, some run dozens of places only, but still earn enough to pay their way. Oh Yes. Winning owners also have to pay for the drinks!



Once you advance to higher rated handicaps and listed races the rewards rise exponentially. For example, a merit rated 100 handicap winner will earn R53 000 and the lowest winning stake for our most humble listed race will get you R80 000.

Once you get into the black type feature races the sky is the limit – well almost. Even two year olds can earn big – the winner of this year's Gold Slipper collected over R300 000 and even the 10th placed finisher in the Durban July won R30 000 (there were 20 runners so half took home decent money).

And if you are a member of a big punting stable, who knows how much your four-legged pal could earn you!

BUYING AT AUCTIONS

Public Auction sales offer the widest selection and generally ensure fair market values for horses. Champion racehorses can come from humble backgrounds, but are more likely to be found at major auction sales where horses are selected on pedigree and conformation and are the "cream of the crop". A schedule of upcoming sales is available on the BloodStock SA website: www.tba.co.za.

BEFORE THE SALE

We would like to suggest that you make a plan to visit a few studs every year. The TBA can organize the most convenient safari to suit your circumstances and time.

Breeders love to see you and show off their wares. They will ply you with good grog and great food – some even offer accommodation. Show deep interest but never make a commitment. However, when buying yearlings some breeders will offer terms of delayed payment which are tempting, or offer to lease you a prize filly should you purchase one of their yearlings. Like in any business, it is a question of caveat emptor

Remember also what we said earlier, buying a yearling means waiting a while before it performs and some breeders have older horses on their farms which for any number of genuine reasons have not yet been sold or even offered on auction. A good deal can usually be struck for these animals. Sometimes a breeder will even go into partnership with you – always a good sign of confidence in a horse; some will even encourage you by offering to keep a yearling for free on their stud until ready for training. So be ready to negotiate.

The choice of whether to buy an entire (ungelded male horse or colt) or a filly can be a critical investment. Few colts make it through life as entires but if yours wins some graded races it will enhance his value considerably as a future stallion. In this

respect, purchasing a filly is a better bet. Laying out a reasonable sum on a reasonably bred filly who wins a "black" type race or is placed in a graded race, will mean its value is enhanced considerably.

For a horse that your trainer feels have only one or two wins achievable in its career it is wise to consider selling it on to Mauritius, often at a profit. It is a tough emotional decision to sell your champion after he or she has won you a couple of races, but finances will dictate that you make the decision sooner rather than later.

AT THE AUCTION

This is where the fun begins and you feel the first tingle that is generally referred to as "the joy of ownership" as you begin to experience the social roller coaster that accompanies racehorse ownership. The racing community is not so large in South Africa and in no time your circle of friends and acquaintances will grow enormously. Racing is packed with colourful characters – battlers; barons and bookies all. People have been known to do extraordinary things and make strange decisions at auctions. The most important piece of advice we can give you is **USE YOUR HEAD AND NOT YOUR HEART WHEN YOU MAKE ANY DECISION TO BUY**. The fact that your wife fell in love with a horse's colour (always a grey) is no reason to fork out your hard-earned cash, but you had better have a good excuse!

There is nothing to compare with the vibe you sense at thoroughbred auction sales. It can sweep you along irresistibly because the enthusiasm and the generosity of sellers is amazing. Shrewd buyers can eat and drink at vendor's expense without having to shell out a bean at the bar! So it is advisable to attend to the essentials first.

1. Complete a buyer's card application.
2. Establish credit arrangements with the sales company
3. Review conditions of the sale
4. Meet your dream team (agent, vet or trainer) to select your horses.
5. Devise a first look list and subsequent short list. The short list will be dependent on the conformation inspection of each horse. A second opinion never hurt and it is often worth a third as well. You may wish to have a veterinarian perform a pre-purchase examination but do not bother to scope for breathing disorders – it's expensive - any of your selections until bought. All reputable auctions and sellers will take back a horse if scoping reveals a breathing problem. See, racing is honest!
6. Assign responsibilities for bidding arrangements. Best keep your hands in your pocket and let your agent or trainer do the bidding to your limit

7. *Your agent or trainer will make insurance and transport arrangements. Sometimes a horse may need more time before it goes into hard training in which case it would be advisable to send your new hope to a spelling or pre-training farm near you.*
8. *Good advice - Bid only on horses on your short-list. Again, your wife is a danger when a beautiful animal enters the ring! On the other hand women have a reputation of sometimes picking a good 'un. Syd Laird did not want to buy Politician because of his legs. But owner Fanny Tenderini loved the horse and bought it. The rest is history but Syd had a life-long struggle with those legs.*

PAYMENT

Payment for the purchase should be consistent with the arrangements made with the sales company and vendor: Upon payment, buyers will be given a stable release and at a later stage you will receive the National Horseracing Authority change of ownership certificate from the sales company.

INSURING YOUR HORSE

Insuring your purchase is optional and a number of factors have to be taken into account. Racehorses – move faster and train more vigorously than any other athlete and therefore at a greater potential risk. An underwriter will require a clean bill of health certificate from your vet. As such are you happy to carry the risk of your investment yourself?

Partnerships or leased horses should be insured if for no other reason but to avoid any angst among owners should the animal expire. Selecting a broker is an important decision. Choose a professional, registered specialist bloodstock insurance broker. Some, like John Freeman, are also bloodstock agents as well and can offer sound advice. Once you have taken the decision to insure, your trainer must keep you and your broker informed of any illness or injury suffered by the horse. Your underwriter must give his approval for any operations e.g. gelding, before it is undertaken.

WHAT NEXT?

REGISTERING YOUR RACING COLOURS:

Every owner has to be registered with the National Horseracing Authority of South Africa. (the Jockey Club). No longer is ownership confined to stuffy toffs. All are welcome.

Each owner can visit an NHRA branch office to select his/her individual racing colours. These will be the colours (silks) worn by the jockey who will be riding your horse. A selection of available colours will be shown to you but failing to find colours which appeal, you may design your own racing silks within certain restrictions. These will then be approved by the NHRA. More good advice – don't attempt to select your colours without your wife present. It could lead to divorce!

MAKING UP YOUR RACING SILKS:

There are a number of seamstresses who make up racing silks; your trainer will know them or phone Larry Weinstein.

REGISTERING YOUR HORSE:

On purchase of your horse, the registration papers will be forwarded to you by the sales company. You have to lodge the change of ownership forms with the NHRA and your trainer will ask you to complete an "authority to act" form on your behalf.

Most important of all, make sure the racing clubs know your bank account details so they can deposit your winnings directly, which believe it or not, will be in your account within a few hours. Hooray! but of course, you have to collect your winning trophies personally after the race and be available for an interview on Teletrack as the winning owner. You will feel giddy from the handshakes and the back slapping and probably in a daze of disbelief. Then you will know a feeling like no other.

Important Contacts.

BloodStock SA : +27 (0)11 323 5700 / enquiries@tba.co.za / www.tba.co.za
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