



The Sport of Kings

THE THRILL OF OWNERSHIP



Imagine the buzz of the crowd swelling into a deafening roar as the runners thunder round the final turn into the finishing straight – and it’s your horse leading. Owning a racehorse can be one of the most exciting and rewarding experiences you will ever have.

Being a racehorse owner is a thrill like no other! Although horseracing is known as the “Sport of Kings”, this is misleading - owning a racehorse is a lifelong dream of many racing fans, but it doesn’t have to remain a dream. The thoroughbred industry welcomes new owners. Read as much as you can about the sport, find a bloodstock agent or trainer you can trust and visit some horse auctions. You may just find the next July Winner!

Is this for me?

Investing in thoroughbred racing may offer exciting 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 comfort range.

What should I consider before buying a racehorse?

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 you are prepared to invest and then develop a budget which will be allocated to the purchase of your horse/s and forecast monthly expenses. This is usually a good guide in determining the best form of ownership for you.

Do 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, but 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?

What time period is involved?

In selecting a horse you need to consider whether you are looking for a quick return offered by a horse already in training or are prepared to wait a little longer for a more personal option which allows you to be a part of the horses training from the very beginning?

Types of Ownership

You have two ownership options, namely owning or leasing. Owning entails purchasing a horse from a bloodstock auction, or privately from a trainer, breeder or stud farm.

- **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 on races.
- **Co-ownership** means sharing the costs and benefits, the thrill of ownership and the excitement of race days 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 between five and 20 people. 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.
- **Companies and close corporations** can also register with The National Horseracing Authority as owners of racehorses.



Leasing

- Leasing a racehorse involves ownership of a racehorse for a set period of time. The horse owner, usually the breeder, leases the horse to an owner or syndicate. The terms of the lease may vary, but is often for a fixed period e.g. three years.

Costs Involved

- The purchase price of the horse
- The running costs of keeping the horse in training and racing
 - *Spelling and Training Fees*
 - *Farrier fees*
 - *Routine Veterinary Care*
 - *Insurance*
 - *Race Entry Fees*
 - *Transport*
 - *Jockey Fees*
 - *Ownership Registration Fees*

There are a number of cost variables that can change depending on the racing schedule and well-being of your horse.

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.

Choosing an Agent or Trainer

Thoroughbred horseracing is a team sport. If you're new in the industry, don't try and buy a horse without looking for assistance. In addition to a good horse, the team needs a good trainer. It would be wise to exercise as much care in selecting your trainer and or bloodstock agent as you would in selecting a horse. Consultants can come in various forms, from trainer, bloodstock agent, pedigree advisor, veterinarian to an experienced owner.

Selecting a Trainer



It is a good idea to select your trainer before purchasing your thoroughbred. This is a very important consideration, as he or she can give invaluable advice in the selection and purchasing process. There are training centres around all the major cities in South Africa. In choosing your trainer it is advisable to select one that is based not too far from your home.

You can study the trainers' performance chart and select any of the trainers but there are other factors to consider: 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. So take your time and select the individual that suits your needs and personality.

The RA has developed some minimum standards that are expected from an owner and from a trainer.



It is important that amongst other details you establish the following:

- How often should you reasonably expect the trainer to communicate with you?
- When do you wish to be consulted?
- What are the arrangements for visiting the yard?
- Would you like the trainer to attend sales and make purchases on your behalf?

Buying at Auctions



Public Auction – Auction sales offer the widest selection and often assure fair market values for horses. Champion racehorses can come from humble backgrounds, but you are more likely to be found at major sales where yearlings 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.

Auction Procedures

Before the Sale

1. Complete a buyers card application for the sale
2. Establish credit facilities with the sales company
3. Review conditions of the sale
4. Meet your consultants (agent and/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.
6. Assign responsibilities
 - Bidding arrangements
 - Insurance
 - Post-sale arrangements

During the Sale

1. All horses on the preliminary list should be inspected
2. Inspect your final candidates several times. Do not be afraid to go back for a second and third look.
3. You may wish to have a veterinarian perform a pre-purchase examination and view radiographs (should these be available).
4. Bidding – do not permit yourself to get carried away when bidding
5. Follow your initial plan and stay within your identified budget.
6. Bid only on horses on your short-list, exercise control and stay within the pre-determined price limit for the horse.

Post-sales Procedure

Payment

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

Successful bidders must make the necessary arrangements for the transport from the sales ground and the board and care of their purchase/s.

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. As such are you happy to carry the risk of your investment yourself?

Selecting a broker is an important decision. Choose a professional, registered bloodstock insurance broker. Once you have taken the decision to insure, you are obliged to ensure that your trainer keeps your broker informed of any illness or injury suffered by the horses and to notify them of any operations e.g. gelding.

What next?

Registration with the National Horseracing Authority

Registering your racing colours:

Every owner has to be registered with the National Horseracing Authority of South Africa. Registration forms can be obtained from either the Racing Association or directly from the National Horseracing Authority.

Racing colours:

Each owner, on the acceptance of his/her application, can visit the NHRA to select his/her individual racing colours. These will be the colours/silks worn by the jockey who will be riding your horse in the race. A selection of available colours will be shown to you but failing you finding a suitable choice, you may design your own racing colours within certain restrictions. These will then be approved by the National Horseracing Authority.



Making up your racing silks:

There are a number of persons who make up racing silks. For contact details please contact your closest racing association.

Registering your horse:

Once application for ownership has been accepted and you have purchased your racehorse, this racehorse has to be registered in either the individual, partnership or syndicate name.

On the successful purchase of your horse, the registration papers will be forwarded to you by the relevant sales company. You have to lodge the change of ownership forms with the National Horseracing Authority.



“This is the thrill of my life!”

Emilio Baisero (2nd from right) after Pierre Jourdan’s victory in the 2009 Emperors Palace Ready to Run Cup.

Racehorse Ownership... An Investment in a Lifestyle

Important Contact Details

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