



Tips and Hints on What to Look for When Buying a Share in a Yearling

With so many new people constantly entering the horse racing industry via ownership, we are often asked, “what I should look for when trying to buy a share in a Horse”. To be frank it’s a great question more people should ask.

When buying a yearling you must be aware it’s potentially the only product in the world that you are buying that you don’t know what you’re getting. As no one has a crystal ball to predict Horse A is going to be “faster” than the other ones. At the end of the day it’s an expensive Lottery ticket! However, they are so much fun and often you can meet people that you end up with friendships for life that keeps people coming back.

If you go into the venture knowing this, then you will be prepared but firstly before you pick a horse personally, I think you should pick your trainer and partners first.

There have been some potential champion racehorses “wrecked” by crazy syndicate managers or trainer decisions and effectively as you are going to be partners, you need to be happy that the people you are going with are:

- a) **Trustworthy.** For me this is the biggest thing- there are some great trainers out there but unfortunately, they are not trustworthy. It might be they “pad” the training bill, or the trainer doesn’t fully keep you updated – but all these things are so important when you are an owner and its often overlooked. Don’t rely on the media reports, ask around, different people will give you their experiences with them. For Example, if the horse has proven it is no good will the trainer keep it in work and keep promising you the world or will the trainer give you the honest truth. It’s a fine line as sometimes horses will show lots in their training and not deliver on the racetrack and this might be a maturity thing but might be down to other factors. A small trainer is often more accessible to speak to – but often times their communication is generally poor as they don’t have the staff to provide constant updates that you might want. Also, a small trainer will give the horse more one on one care- but often times a small trainer can’t always pay his bills or often can’t afford the very best feed for the horse which means sometimes the horse doesn’t reach its potential. When the horse is going well a small trainer might not have the “cattle” to compare and give you an accurate assessment also. Not to say small trainers are a bad option but these are common complaints or issues people have in small yards. On the reverse sometimes if you have a quirky / mentally challenged horse then sometimes being in a big “production factor line “stable these horses never research their full ability either as they are never happy or “sorted out”.

At the end of the day the horse is an individual and if your trainer actually knows the horse and its habits and its plans the trainer has for the horse then I feel that's a great start. However, just because they are a big stable don't think that the trainer won't know your horse if it's not a champion. A trainer like Kris Lees who has 100 horses on his books – could recite for you every horse in his stable brand- what he had for breakfast yesterday and what he will be feed tomorrow as well as the same time being able to provide you with 1 of 3 plans he has with the horses racing preparation, depending on what your horse performs like and all of this from memory.

It's the same with the syndicate managers- have they had experience with multiple good horses and have they plenty of people to back up their ability in terms of referrals.

Regardless of the horse if your partners are not trustworthy but also highly competent then personally, I would advise stay right away from them as it's a tough game and its best to surround yourself with good people.

Once you're happy with your potential partners the next step is to pick your actual horse.

What to Avoid?

Buying yearlings is not an exact science and is full of risk and uncertainty and the best advice I can give you is be harsh and try and get as many "percentage points" in your favour as possible. As we have said before there is not one expert in the world that can pick you a "fast one" from a "slow one"- but the experts can help you avoid certain issues or traits that will adversely affect your horses chances (which takes your chances down- the opposite to what you want).

Whilst it seems basic- know your facts first. Some of the key's ones are as follows:

1. Your sire if not a young 1st, second or 3rd season sire should be a minimum of 60% runners to winners and also at least 5% Stakes Horses- you would be surprised at some of the popular and name sires who can't even achieve this.
2. Ideally mum had ability or if no ability has proven she has thrown a city class or better horse.
3. You must know where the horse was sold and raised- you would be surprised at some of the experts who don't know what a certain farm produce record is like. For example, there is 2 "massive operations in Australia "whose yearlings average over \$100,000 and yet they have sold less than 2% stakes winners from thousands of horses. If you don't know or the person you are buying off doesn't know this – then forget it. Think of it logically – would you go and sign a front row forward for first grade if you have never seen him play and all he ate each day was Macca's and KFC? not ideal athlete conditions! - however some people do just this and they call themselves experts.
4. If you see a pedigree with Danehill up the top and Danehill down the bottom – RUN-! they are such a low percentage play its chances of being a Group winner is less than 0.008% chance- which you might as well give your money to charity. They exist but so does powerball.
5. If at all possible, try and inspect the horses yourself- sometimes when they come home from the sale they don't do well (especially if they haven't been raised on the good farm).
6. Some confirmation issues are fine, but some are non-forgivable no matter how well breed they might be- if you don't know what to look for – get someone to go with you.

7. Avoid a purchase just because of the sire – the greatest sires have plenty of duds and especially avoid a sire that looks exceptionally cheap. For Example, if you see a Snitzel for \$5k a share be very careful- the market generally doesn't miss too much and if you see Australia's hottest sire and one of his progeny selling well below what his service fee is – then you can be assured you're buying a horse either with problems or that is not an athlete.

Generally, 4-5 colts out of 22,000 each year are sold for big money- low percentage and sometimes better to focus on fillies.

Possible Clues You Are Buying Well

1. I would recommend you focus on the Broodmare: If she has proven she has a high percentage of her progeny that have performed at the City Class level (especially Sydney and Melbourne City Class) then pay attention- these are the hardest states in Australia and its no mean feat to throw a proven city horse. QLD, WA, SA is generally a level or two down and is generally provincial class- which is ok but worth taking note off.

If you see a yearling that seems expensive by a less than sexy sire take note: I would normally suggest this is a high-class athlete at least – Capitalist was a prime example of this at the time.

2. If you have a filly in your sights look for the mare to be continuing to be bred up not down- if you have a filly and a relation does well, you can still make money if yours is slow.

3. If you can go and view the horse and see what it's like.

Overall there is no exact science but there is plenty of things you can do to increase your chances of getting a good horse if you ask the right questions or if you have the right people helping you then you can dramatically increase your chances using some common sense and solid facts.

Should you need any advice please feel free to ask.

COSTS TO HAVE A HORSE

Whether you own Black Caviar / Winx or the slowest horse on the earth the ongoing costs for having them spell or agist is approximately \$50 per month for a 5% share.

The training fees can vary depending on where your trainer trains from.

For example, a country trained horse generally costs you approx. \$150-170 per month for a 5% share.

A city trained horse can vary largely from \$200 per month up to \$500 per month for a 5% share. Which seems crazy as they generally all are doing the same thing but sometimes you are paying for a reputation with a trainer rather than any extra service.

These charges generally cover things like training, horse dentist, horse farrier, horse physio and most horse race entries.

With new ASIC rules coming into place syndicators now are forced to charge a compliance or admin fee and some are charging up to \$20,000 per year and not surprisingly, these guys are the guys who struggle the most in terms of keeping clients. This fee is on top of the training fee.

For Australian Bloodstock we charge the minimum fee of just \$22 per month and in return you will be provided weekly and fortnightly updates –completion of compliance forms and liaising with Racing Authorities- pre-race speed maps and betting advice as well as post-race updates. ON top of this we make sure to try and organise extra tickets when available as well as extra events and functions held throughout the year.

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The image is a promotional banner for Australian Bloodstock. On the left, there is a photograph of a horse race in progress, showing several horses and jockeys competing. The focus is on a brown horse in the foreground, ridden by a jockey in a blue and white silks. The horse has a saddle cloth with the number '6' and the name 'ROSEN STARR'. The background shows a crowd of spectators and other horses. On the right side of the banner, there is a dark blue background with white text. The text reads: 'Australian Bloodstock' in a large, bold font, with three stars above the word 'Bloodstock'. Below this, it says 'join the winning team' in a smaller font. At the bottom right, the phone number '1300 964 797' is displayed in a large, bold font, and the website 'australianbloodstock.com.au' is written in a smaller font below it.

> Important Information

> Any general advice is prepared without taking into account your objectives, financial situation or needs, and because of this, you should not act on any general advice. You should have regard to your own objectives, financial situation and needs and seek appropriate independent financial advice. Where any information relating to the acquisition of a syndicate interest in a horse for which a Product Disclosure Statement (PDS) is available, you should obtain and review the PDS relating to the particular horse and consider it before making any decision whether to acquire a syndicate interest

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