

March 13, 2009

TEAM VALOR GEARS UP FOR FIFTH SOUTH AFRICAN YEARLING VENTURE, BARRY IRWIN HAS PLANS TO BUY GROUP OF FILLIES, PERHAPS ONE COLT, DOLLARS STRENGTH WILL HELP AMERICAN STABLE TO MEET ITS NEEDS

Barry Irwin will attend South Africa's National Yearling Sale for a fifth consecutive year next month. The program consists of racing the yearlings in South Africa to prove them, then export the best ones to Dubai, Europe and the United States. The success rates have been extremely high and Team Valor looks forward to forming new partnerships this season.



"Because of the relative strength of the dollar and the weakness of the rand," he explained, "we will not have to spend as many dollars to buy what we want. In fact, to insure that we get the most bounce for our buck, we will lock in an exchange rate on each day that we buy a yearling in the sale.



"Secondly, because of the depressed worldwide economy, prices at the sale figure to soften to a very great extent.

"These two elements should combine to create an environment that will allow us to buy what we want at prices that provide incredible value."

Irwin said that on the flip side of the coin, South African bloodstock once again has made a great impression on the international racing scene, which theoretically could spur new buyers to come to Johannesburg for the yearling sale. Last year, Irwin received quite bit of competition and actually was outbid for the first time in four years at the sale. With many South African runners poised for top runs at the March 28 World Cup meeting in Dubai, the impetus to attend the yearling sale could be huge.

Prospective partners will have until March 27 to contact Amy Collingsworth (amy@teamvalor.com or 888-434-2677) and commit to a dollar amount they feel comfortable spending.

"We are not going to phone anybody, we are not going to chase up anybody and nobody will receive any information on the yearlings if they do not sign up in advance," Irwin insists. "My buying pattern will be totally predicated on the dollar commitment we receive before I go to the sale.

"Everybody knows that times are difficult and most people have reduced the amount of capital they feel comfortable spending on racing prospects. But the fact remains that buying horses, especially yearlings, in South Africa represents one of the true bargains in the world of horse racing.



Captain's Lover was bought by B. Eye for \$27,000 and she became a Grade 1-winning Champion in South Africa and a Group 3 winner at 4 in France.

“Cost of training in South Africa, because of the exchange rate, is the greatest bargain in the English-speaking world. Monthly costs are about \$650 per animal including vet and blacksmith.

“Team Valor racing partners are not the only folks that have taken notice of the phenomenal success the company has enjoyed with its purchases in South Africa. I am prepared to put our Team Valor racing partners first in my priority because of the support they have given us over the past four years. But if the amount is not sufficient to warrant a good-sized group of quality animals, I am ready to buy for others and for my own account.”



The financial parameters of the 2009 yearling acquisitions will be the same as last year. Whatever Team Valor spends on the yearlings, it will add 15 percent and earn a bonus of 33 1/3 percent of any profit, after all costs of acquisitions and expenses are fully returned to the investors.

Last year the minimum level of participation was about \$12,500. This year Team Valor will set the amount it plans to raise at \$487,500 for the fillies and \$245,000 for the colt. A total of 65 units at a cost of \$7,500 will be raised for the fillies and a total of 20 units at \$12,250 will be raised for a colt.

Team Valor will adjust the financial figures to reflect the actual cost of the yearlings when Irwin returns from the sale. But those that commit can rest assured that the cost will not exceed anybody's pre-sale commitment.



Team Valor has specifically designed the trip to South Africa to incur as little expense as possible. The sales company supplements part of the travel expenses. Additionally, as he did in the first few sales, Barry Irwin will be accompanied by his wife, Kathleen Irwin, who will assist him in inspecting the yearlings, so that Team Valor does not have the expense of an additional employee at the sale.

VAT will be collected on the purchased after the sale and will be kept on hand to fund training expenses of the yearlings when they go into training shortly after the public auction.

Those opting to participate are advised that payment is due for the yearlings within 2 weeks of purchase and the sales company is strict about late fees, so those committing to play must be prepared to fund this enterprise 7 days after the yearling sale, which starts on April 4.

Team Valor is recognized as a leader in selecting, managing and selling South African bloodstock. One need only look at what the stable has been able to accomplish internationally since the start of the current season. Team Valor has already been represented by 3 stakes winners and 4 Graded stakes-placed runners. Russian Sage is the co-highest-ranked older grass runner in the world according to *Racing Post*. Gypsy's Warning is the co-highest-ranked 3-year-old filly in South Africa. Joshua's Mistress and Chiquita have already won stakes this season. On Her Toes (already a Grade 1 winner) and Sweet Theresa are Graded-placed and likely to add to their laurels. And Golden Idol is being prepared for the Grade 1 SA Derby by leading trainer Geoff Woodruff.

The list of accomplished South African horses prospected, raced, managed and sold by Team Valor is a veritable Who's Who of the Turf on the African continent and includes the following:

- **Ipi Tombe**, Horse of the Year in Dubai after going unbeaten in 3 races including the Grade 1, \$2 million Dubai Duty Free. Topped Tattersalls sale of breeding stock when sold in foal.
- **Russian Sage**, Champion Colt at 3, after winning the Grade 1 Daily News 2000. Co-top rated older grass runner in the world at present with last year's Duty Free winner Jay Peg.
- **Captain's Lover**, Champion Filly at 3, Classic winner of the Grade 1 Cape Fillies Guineas, winner last season in France of a Group 3 and a good fourth in a French Group 1.
- **Irridescence**, Champion Filly at 3, Grade 1 winner in Hong Kong of the AP Queen Elizabeth II, the Grade 1 Woolavington and the Grade 1 SA Fillies Classic. Beaten head in G1 Beverly D.
- **Carnadore**, Champion Colt at 2, winner of the Grade 1 Golden Medallion Stakes, multiple Graded stakes winner at 2 and 3.
- **On Her Toes**, Grade 1 winner at 2 of the Allan Robertson Fillies Championship and set for further successes this season at age 3.
- **Stratos**, Grade 1 winner of the Empress Club Stakes, voted Champion Older Filly or Mare in Johannesburg, multiple Graded stakes winner in South Africa.
- **Little Miss Magic**, Grade 1 winner at 3 versus older in the Grade 1 Empress Club Stakes. Daughter of leading sire Jet Master is in foal on a February 15 cover to Singspiel in England.
- **She's on Fire**, Grade 2 winner, multiple Grade 1-placed, top-rated older filly or mare the last 2 years in Johannesburg. Daughter of leading sire Jet Master.
- **Sally Bowles**, Classic winner of the Grade 2 KZN Guineas, beaten a nose in Grade 1 Allan Robertson Fillies Championship, voted Champion at 2 and 3 in Durban region.
- **Jazzy**, Grade 2 winner at Belmont Park of the Gallant Bloom Handicap, stakes winner at Saratoga. Previously, she earned quality black type in South Africa, including a Grade 1 place.
- **Alexandra Rose**, Grade 3 winner at Santa Anita, beaten nose in Grade 1 Cape Fillies Guineas, placed in stakes in Dubai. In foal in Australia to leading sire Hussonet.
- **Tara's Touch**, Grade 3 winner of Royal North Handicap at Woodbine, Giant's Causeway Stakes at Keeneland, multiple Graded-placed in North America.
- **Stately**, Grade 3 winner of the Strelitzia Stakes at 2 at Scottsville.
- **Warning Zone**, winner of \$100,000 stakes at Fair Grounds in New Orleans, Grade 1-placed in South Africa.
- **Chiquita**, unbeaten sprinting at 3 in 2009, including Bauhinia Stakes at Tuffontein.
- **Miller Time**, beat Russian Sage in the Listed Sophomore Sprint Stakes in Cape Town.



Ipi Tombe Horse of the Year (left) winning G1 Duty Free; Irridescence beating Ouija Board in APQE2 in Hong Kong (right); TVI partner Steve Karlin hoists AEPQE2 trophy (below, left); Little Miss Magic greeted by Diane de Kock after Empress Club.



Anant and Vanashree Singh Family celebrate On Her Toes' Grade 1 win (right); Captain's Lover cruises to victory prepping for Grade 1 win in Guineas and Championship honors.



From *SummerHillFarm.com*'s blog comes the following:

Countdown to National Yearling Sale 2009



The 2009 Emperors Palace National Yearling Sale countdown has begun and BloodStock South Africa will be more than hopeful that the local market remains strong enough to weather a global economic crisis as deep and dire as the Great Depression.

In stark contrast to earlier sales held in the Southern Hemisphere, where double-digit declines have been the order of the day, results at the GrandWest Sale proved more than encouraging, with the average showing an increase 9% on last year's total.

That said, BloodStock South Africa has catalogued the cream of the 2007 foal crop, a total of 596 yearlings, which will go through the TBA sales ring at Germiston from April 3 to 6.

The decision to do away with the contentious 'green pages', the so-called Select Session, has been welcomed by consignors and trainers alike. Many felt that the green pages set up a false market at the start of the sale, with major buyers not returning or ignoring the non-select yearlings, and the general feeling has been that buyers will now stay for the duration of the sale. The concept of a select sale has also outlived its purpose, as witnessed in the US, where Keeneland's July sale was abolished when many of the major vendors opted to send their better yearlings to the marathon September Sale. Likewise, major English auction house Tattersalls has done away with its select Highflyer Sale.

International buying support contributed heavily to 2008's record-breaking sale. Barry Irwin of international racing outfit Team Valor described it as "the best value thoroughbred sale in the world. You would pay roughly twice the price for any foal at sales elsewhere in the world."

Once again, a high percentage of the yearlings on offer boast international bloodlines, added to which there is a fine cross-section of international proven stallions represented at this year's sale, all of which should appeal to the most discerning international buyer.

Over the past twelve months, the sale has received a fillip thanks to the exploits of a slew of graduates, ten of which won at Gr.1 level and were purchased as yearlings from as little as R25,000 for Gold Cup hero Desert Links (in 2005), Gypsy's Warning (R170,000 in 2007), Russian Sage (R450,000 in 2006), Urabamba (R475,000 in 2006), Buy And Sell (R300,000 in 2005), Rudra (R375,000 in 2006), Kings Gambit (R600,000 in 2006), Wendywood (R800,000 in 2006), On Her Toes (R800,000 in 2007) to R1.8million for Warm White Night (2007).

No less than 131 stakes winning mares are represented, 24 of which are Gr.1 winners. The catalogue features siblings to 32 Gr.1 winners including Russian Sage (by Dynasty), On Her Toes (by Spectrum), Disappear (by Kahal), O Caesour (by Rakeen), Diamond Quest (by Saumarez), Consensual (by Spectrum) and Mother Russia (by Dupont).



On Her Toes is a Grade 1-winning grad of the National Yearling Sale for TVI.

BARRY IRWIN EXPECTS 2009 YEARLING AUCTIONS TO OFFER HUGE VALUE, HE IS HOPING TO TAKE ADVANTAGE OF FIRST BUYERS' MARKET IN YEARS, MARKET FOR FINE ART PROVIDES DIRECT COMPARISON TO RACEHORSES

Barry Irwin has been covering public auctions of Thoroughbreds as a racing journalist and buying in them for more than 40 years. He also has dabbled in fine art. He sees the fine art market as the best comparison to how the Thoroughbred market can be expected to perform.

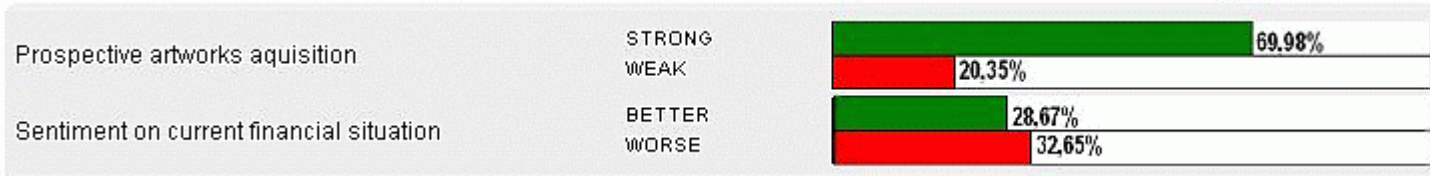
"Let's face it," he said. "Nobody needs a painting or a racehorse to survive. Those that decide to participate do so because it offers an opportunity to indulge themselves in their passion, while hoping for asset appreciation. I've followed both markets for years and they follow on almost identical lines. See the chart below. We are in the biggest buyers' market of my lifetime. I hope we can take full advantage of this situation and stock our stable for the next 2 to 5 years with these purchases."

AMCI – Market confidence in February 2009. [Mar 09]

After yet another collapse of the [Art market confidence Index](#) (AMCI) at the end of January – falling back to the record low of -20 points already posted after the moribund November sales – Artprice's confidence barometer managed a timid return into positive territory at the end of February (+1).

The buy opportunities offered by the crisis and the expected decrease in prices both mark the return of a market dominated not so much by supply but rather by demand. Although two thirds of respondents are still expecting further price contractions over the next three months, collectors have not deserted the market: 70% have expressed strong buy intentions.

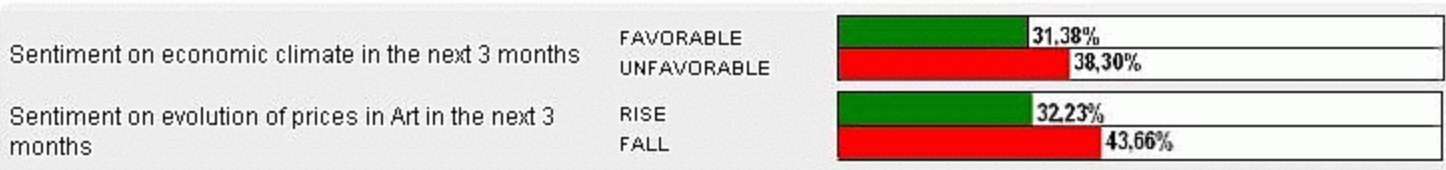
Sentiments on February climate:



However, the art market has not escaped the general crisis. According to the Art Price Global Index, prices dropped 34% in 2008 and the first market indicators in 2009 do not presage a rapid return to a more dynamic environment. Indeed, 33% of the voters are worried about the stalemate of the economic situation.

After the first "test" sales in February ([Impressionist, Modern and Contemporary Art](#)) in Paris, New York and London, market players have seen a clear loss of momentum on the auction market and a substantial loss of confidence (-4% from January to February). Standard & Poors' negative CreditWatch on Sotheby's BBB- rating and Christie's disappointing 2008 results both symbolise the shift away from a seller's market towards a market where the buyer is considerably closer to the centre of the acquisition process. Christie's nevertheless had a major hit with its [Paris YSL – Bergé sale which exceeded all expectations](#) and illustrated the strength of demand for very high quality works. That was a welcome respite for the auction house that was dragged into a Sino-French conflict. Conflict that could have been proved to be hazardous for its business with the Chinese market.. Notwithstanding the exceptional success of the sale, AMCI respondents clearly did not interpret it as a signal of a generalised recovery of the art market, since the index contracted 6% the following day.

Expectation within the next 3 months:



The majority of respondents are expecting further sharp price corrections. While 31% are still hoping for an improvement of the economic environment, the art market appears to be sinking in the midst of a crisis which has both a cyclical and a structural dimension.