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They're Off: Trainers to Start Horse Fund

Trio Seeks to Raise Up to \$125 Million; Triple-Crown Buzz

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By JON WEINBACH

Three of thoroughbred racing's most-successful trainers are teaming up for a venture that will buy, train and sell horses for investors in a move that underscores the rising costs of the sport and comes on the heels of Triple Crown buzz.

The Thoroughbred Legends Racing Fund, which is to be announced Monday, aims to raise \$75 million to \$125 million by late August and create a 100-horse stable within three years. The horses will be selected and trained by D. Wayne Lukas, Bob Baffert and Nick Zito, who collectively have won 26 Triple Crown races since 1980 and earned more than \$460 million in purse money.



Associated Press

Belmont winner Da' Tara

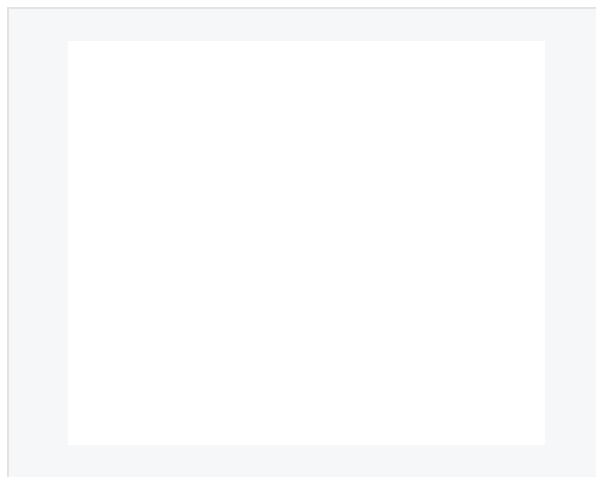
Thoroughbred investment groups are not new: International Equine Acquisitions Holdings, Inc., the majority owner of Big Brown, this year's Kentucky Derby and Preakness Stakes winner, is one such partnership. (Big Brown finished last in Saturday's Belmont Stakes, which was won by Da' Tara, a horse trained by Mr. Zito.)

There has been a proliferation of these entities as the cost of acquiring and maintaining racehorses has

skyrocketed and wealthy foreigners -- particularly sheiks from Dubai -- have poured money into the thoroughbred business in recent years. (Last September, the average price for a 1-year-old horse at the Keeneland sale, one of the industry's biggest, was \$101,347, up 41% from 2002.)

But while most partnerships buy established horses with some track record of success, the Legends fund plans to acquire mostly unproven -- and cheaper -- thoroughbreds and utilize Messrs. Lukas, Baffert and Zito to scout and develop them. Investors must commit a minimum of \$3 million over three years to participate in the fund, which will charge a 2% management fee and keep 20% of profits from racing and sales.

Before a presentation Thursday night at Manhattan's Four Seasons restaurant, Mr. Lukas -- horse racing's all-time money leader with more than \$250 million in career winnings -- said he didn't expect the three trainers to have trouble working together, even though they have



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competed often in the past and will continue to oversee horses for private clients. "We've reached a point in our careers where ego doesn't matter," said Mr. Lukas, 72 years old.

They are launching the fund at a time when horse racing is grappling with public criticism after Eight Belles' death after running in the Kentucky Derby.

Later this month, the House Subcommittee on Commerce, Trade and Consumer Protection will hold hearings on the state of the industry, and has already sent letters to prominent thoroughbred-business figures seeking details about drug rules, breeding practices and injuries to racehorses.

Write to Jon Weinbach at jonathan.weinbach@wsj.com

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