

HORSE SENSE

The showjumping course may be full of obstacles, but nothing stands between an investor and equine pleasure and profit



ELEANORE KELLY
IS SPEAR'S EQUINE
CORRESPONDENT

The world of showjumping has always been synonymous with elegance, the sense of occasion and thrilling sport. Jilly Cooper made her millions from writing about it at a time when blunt Yorkshireman Harvey Smith was a household name and the sport enjoyed huge TV ratings. Yet the sport today is a far cry from the days when the venues were a field in the Home Counties offering a beer tent and burger van, when equine stars arrived in trailers and the riders mostly came from ordinary folk with a 'good feel for a horse'.

Today the sport attracts the offspring of rock stars, royalty and billionaires: Athina Onassis, Sofia Abramovich, Jessica Springsteen, Charlotte Casiraghi. Horses are bought and sold for millions and travel in 'palaces on wheels' — custom-built wagons worth £500,000. They are a home from home for riders who live like lavish gypsies travelling from one glamorous show venue to another: Monaco, Shanghai, Paris, Hong Kong, Chantilly.

In the same way that racehorses are rarely owned by the trainer or the jockey, most showjumping riders need owners to buy them horse power, even if that's Daddy. Many of these benefactors arrive by private jet and expect extravagant hospitality, paying £10,000 for a table in order to watch 'their' athletes perform. Showjumping events have become almost as much about lifestyle and spectacle as the sport. It attracts celebrities and Rich Listers, which in turn has enticed luxury brand sponsors like Longines, Rolex and Gucci. Riders even compete in kit designed by esteemed fashion houses, with saddles made by the likes of Hermès from the finest French calf skin.

Aside from the glamour, excitement and ambience that come from being part of this illustrious world, this is an industry in which British are leading the way both in terms of sporting prowess and commerce. We have long been a world leader in racing and sports horses — it is worth £8 billion to the economy. British riders finished top of the medal table at the World Games and won sixteen equestrian medals

at the Olympics including team gold in showjumping. We have qualified for the 2016 Olympic Games as well as the 2015 FEI Nations Cup Final. British breeders and trainers have been responsible for producing many championship-level showjumpers which have been sold to other nations. There is more excitement and investment around the sport than ever before.

Elite horses are changing hands for millions. According to Paul Mendoza, father of Team GB rider Jessica Mendoza and an owner himself, there has never been a better time to invest: 'Showjumping is an elite, global sport enjoying a real boom. Demand from worldwide buyers looking to buy the dream and an Olympic ticket far outweighs the supply of European talented horses competing at the very highest levels of the sport.'

AND THEY'RE OFF!

Ownership of showjumping horses and sponsorship of riders attract both wealthy individuals and syndicates and also corporations including global giants like H&M and Sony Ericsson.

In 2014 Britons owned the world's top two showjumpers — Lord and Lady Harris, owners of Carpetright, and Lord and Lady Kirkham, founder of DFS, who have all been long-standing supporters of the sport. For the Harris and the Kirkhams, who joined forces to buy a number of top showjumpers for British riders, their interest lies in the love of the sport — and winning medals.

The prize money has become similar to that in horse racing, if not better. The Harris-Kirkhams' main rider, Scott Brash, recently won the Rolex Grand Slam in Calgary worth \$1.6 million, but their real dream is to make history. And history they made when their horse Hallo Sanctos was part of the team which won a gold medal for Britain at the London Olympics. With Team GB qualified for Rio they will be hoping to do the same next year.

Then there are the owners who invest in the 'Olympic cycle'. A number of British-bred and -produced



horses have made the top ten in the world rankings repeatedly since 2010, these are then often sold abroad to foreign riders for championship level. Horses with potential often sell for millions and those already competing at the championships regularly change hands for £5 million or more. Furthermore, if invested in the right way, profits from selling horses can be exempt from capital gains tax.

According to Maria Clayton, head of communications for British showjumping, much of the investment from abroad is coming from Eastern Europe and the Middle East. Qatar reportedly set aside £200 million to invest in equestrianism in the run up to the Olympics. 'In Britain we have both the world number one rider and the world's leading horse. We have long bred the best riders and now we are breeding and training some of the best horses. There is so much potential to make money in this sport,' Clayton says.

Most people buy a racehorse thinking that at best they will have a lot of fun and not lose too much money, but it's more likely that they will lose significant sums along the way. A flat racehorse's career usually spans a year or two; some never even make it to the track. By comparison, showjumpers can stay in the sport for twelve years or more, and as it attracts interest and investment at amateur level as well as professional level there is a ready marketplace even for horses that do not reach the elite. 'Unlike racing, in this sport it is unusual for owners to lose their money and not unusual for them to make a lot of money,' explains Clayton.

Commercial sense aside, the experience and sense

of occasion offered at showjumping events easily rival racing. Take the FEI Nations Cup Final, the finale of the summer season, which takes place in Barcelona. The world's top-ranking riders compete their best horses in the Olympic stadium both for national pride and a large prize fund.

The entourage this year was a mixture of royalty, aristocracy, pop stars, fashion icons and Forbes 500. Riders at this year's final included Greek shipping heiress Athina Onassis and several members of the Qatari royal family. One can only imagine the elaborate array of canapes that comes with that remit.

FIRST PAST THE POST

For those interested in getting involved in this glamorous, profitable arena, there are a growing number of investment schemes being set up by riders. Lillybrook Showjumping Limited (LSL) is one such example; it provides a number of potential benefits for investors including EIS tax relief.

The rider behind the scheme is regarded as one of the most exciting talents in the sport right now. Jessica Mendoza made her first appearance on a British senior team at this year's European Championships and helped the British team secure a place at the Olympics next year. Selectors believe that with the right horse power it is well within her abilities to make it to Rio.

For investors there is the potential not only to invest in a horse that might give you the thrill of owning a championship- or Olympic-level winner but also to make significant returns. The investment is backed by actual horses in the portfolio, and the investor benefits from Mendoza's training, experience and skills. A well-trained and properly developed horse should substantially increase in value, and with a high-profile rider in the saddle this adds further gravitas. Investors can buy in from £10,000 with an anticipated mean return of 1.3, but aside from financial return they will be closely aligned with Mendoza and the team, and will participate in events on the global playing field.

Paul Mendoza, who speaks for Team Mendoza and LSL, explains: 'Just like football, the big profits are made by the people who can spot the talent early and deliver it. At Team Mendoza, we'll be doing just that in the run-up to Rio. Then the cycle starts all over again as horses perform in nations' cups, world and European championships.'

Rarely has a sport changed in such a short period as showjumping. All sports have cycles but few could have predicted the meteoric rise and popularity among the rich of international showjumping, nor the opportunities to invest and make a significant return from an otherwise fascinating pastime. *f*

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