

December 2011 Newsletter

To learn more about Royal Colors Racing thoroughbred partnerships, <u>visit the RCR</u> website today.

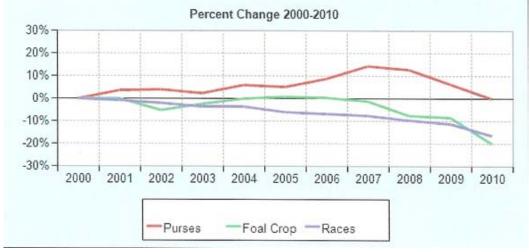
Happy New Year! -- 2012 Will Be a Great Year to Own a Racehorse

Many are quick to point to negative trends in handle, total purses, race availability, but statistically now is as good of time as one has seen in the past 40 years to be involved in the sport of horse racing. Certainly nationwide total purse numbers and overall offered stakes races have continued a year-over-year decline since the onset of the 2008 U.S. recession. However, these declines have not come close to keeping pace with the decline in the annual size of thoroughbred foal crops. The foal crop for 2012 is forecast to be the smallest in 40 years, about 24,700



Forty Winks half sister by Colonel John foaled 2011, photo by RCR Owner, Dan Piper.

total foals only slightly larger than in 1971 when there were 24,301 foals registered.



Source: Jockey Club online factbook 2011

What does this mean to future thoroughbred owners?

Well, if you purchased a thoroughbred foaled in 1986 (the peak of thoroughbred production), your horse had a one in 51,296 chance of being the future Kentucky Derby Winner. In 2012, that denominator will be more than cut in half. More importantly, through the past decade, the total number of horses running is shrinking, the frequency they are running is declining, the number of races offered is decreasing, but purses remain at parity with where they were in 2000 and just about 10% off their peak. As shown in the chart below, the average purse per race and per starter are up from ten years ago, and nearly double where they were 20 years ago. While many tracks will shrink their number of race days, and some will inevitably close, the purse levels (at least in the near term) should continue to provide rewards to those who choose the right horse and take advantage of the scenario that is currently presenting itself in the sport of thoroughbred racing. If you are thinking about "dipping your toe in the water," ...the temperature is fine...take a look at the current horses available in the Royal Colors Racing Stable.

Trends in US Races, Purses and Foal Crops

Year	Total US Foal Crop	Number Of US Races	Total US Purses	Total US Starters	Avg. Purse Per Starter	Avg. Purse Per Race
1988	45,258	71,014	676,797,744	83,021	8,152	9,530
1989	44,250	74,071	706,940,245	83,893	8,427	9,544
1990	40,333	72,664	714,480,213	82,314	8,680	9,833
1991	38,151	71,689	698,654,071	80,238	8,707	9,746
1992	35,051	70,393	709,565,534	76,943	9,222	10,080
1993	33,822	65,354	692,123,219	72,567	9,538	10,590
1994	32,118	64,118	718,439,110	69,583	10,325	11,205
1995	31,884	61,969	761,582,751	67,021	11,363	12,290
1996	32,243	58,259	792,704,873	65,108	12,175	13,607
1997	32,119	57,832	851,462,820	64,099	13,284	14,723
1998	32,947	55,894	904,014,631	63,798	14,170	16,174
1999	33,844	54,644	962,853,553	63,547	15,152	17,620
2000	34,728	55,486	1,030,879,290	64,443	15,997	18,579
2001	34,720	55,127	1,067,490,193	65,829	16,216	19,364
2002	32,984	54,304	1,074,247,738	67,009	16,031	19,782
2003	33,972	53,503	1,055,496,849	68,249	15,465	19,728
2004	34,800	53,595	1,092,085,465	68,569	15,927	20,377
2005	35,046	52,257	1,085,005,415	66,903	16,218	20,763
2006	34,892	51,668	1,120,350,012	66,733	16,789	21,684
2007	34,321	51,304	1,180,587,881	67,261	17,552	23,012
2008	32,225	50,119	1,165,042,722	67,061	17,373	23,246
2009	31,750*	49,368	1,098,194,699	66,104	16,613	22,245
2010	27,800*	46,379	1,031,317,175	62,994	16,372	22,237

Source: Equibase Company LLC

Current Runners In The Stable Move South for the Winter



Forty Winks is set to begin 2012 at Oaklawn Park

Forty Winks drew into a December 7th race at Oaklawn Park from the also eligible list. Unfortunately, this put him into post position #12, which after a tardy break from the gate put him about 7 wide through the entire first turn. While our horse made up some ground down the backstretch, he did not have the momentum to continue the drive through the second turn. Tough to learn much from a race that included a bad break, a wide trip,

and some pressure in the second turn. We decided the shorter finishing stretch at Oaklawn Park,

coupled with some very healthy 2012 purses made Hot Springs, Arkansas a good place to call home until spring. He is training well and we are on track for a race during the first week of the meet Jan 14th-16th.

To view his last race, click here.

Quest for Candy ships to Louisiana

After her impressive debut win (click here to watch), Quest for Candy shipped to Fair Grounds



Race Track in New Orleans. We sent her to Fair Grounds to get an opportunity to sprint on the turf. Unfortunately, her race on December 28th came off the turf. She broke awkwardly making contact with another and then had to use a significant amount of energy to get to her desired front-running position. She led at the quarter mile and half mile point, but ran into a virtual wall in the final furlong fading from first to last (to watch click here). We hope to see her return to her winning form next time out in January.



Saracen records two nice works leading up to his return to the races

Saracen returned to training at Evangeline Training Center in Louisiana and is being pointed towards a sprint in January. His first two works after his layoff have looked good, a four furlong work in 50.68 ranking 5/44 at the distance, followed by an unrecorded five-furlong breeze last week at 1:01 and

change putting him near the top of works on that morning. We look forward to restoring Saracen's confidence and getting him back into the winner's circle.

Yearlings-in-Training Snapshot

To take a closer look at any of the available "soon to be two-year-olds" in the stable, visit the current opportunities section of the Royal Colors Racing website.



EFFOUR is set to return to training during the second week of January after a 60-day routine turn out.



SASSY KISS is moving well over the track and has given us nothing but positive signs indicating she is ready to keep pressing towards an early two-year-old start.



VALENTINE EDDIE is two-minute licking and continues to move forward nicely.



WHY ROCK is growing taller by the month and continues to spend time away from the track as she is given the opportunity to grow into a later developing form.

Effour -- Featured Horse of the Month



Effour in October 2011

Effour -- Quite Possibly Our Best Value Buy of the Year

Beauty is in the eye of the beholder, and while Effour's brown-spotted coat and tall, lanky body might

have turned some away at the Fasig-Tipton Yearling Sale, we saw a different horse. The horse we saw looked to be a little immature, but had a tall, ranging form that looked prime to fill with muscle. While some stared at his chocolate freckles, we watched his long, overstriding walk and looked forward to adding him to the stable. Well, as hoped this soon to be two-year-old has grown up nicely, filled out nicely, and has a nice way of moving on the track. He has been professional on the track and a social sweetheart in the stable. To learn more about Effour, including his price per share, click this link to his profile on the RCR website.



Effour



Click on the photo above to see some up close video of the Chickasha, OK May 24th Tornado

should not see much that scares him on the track.

What's in a name?

Everyone needs a little luck on the track and Effour (pronounced F-4), might be one of the luckiest horses alive. When a rare EF-4 categorized tornado with 190 MPH winds ripped through Chickasha, Oklahoma on May 24th, 2011, Wolf Creek Farm's Troy Winfrey and his family fled for a neighbor's storm cellar. When they emerged their home and barn were destroyed. The stables were collapsed and their roof had been ripped off. Four out of five yearlings perished and only one remained unscathed, the lone survivor in a remaining corner stall...EFFOUR...he

Effour is sired by Limehouse, the millionaire winner of multiple graded stakes from age two to four. Limehouse is currently ranked 13th among third-crop sires and has been in the top twenty each of his first three years at stud. As a Louisiana-bred, Effour should have some great opportunities against restricted company as he races in the Bayou. He looks to be set up well physically and from a pedigree standpoint to run over two turns, so we are targeting a mid-to-late summer start when the Maiden races start to get posted at six furlongs or longer.

©2012 Royal Colors Racing, LLC. | 25 Highland Park Village, Suite: 100-721, Dallas, TX 75205 (214) 681-5004 www.royalcolorsracing.com