

The Wealth Net

Breeding Capital launches two new bloodstock investment vehicles

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Newmarket, Suffolk-based Breeding Capital, a company that provides private investors with diversified exposure to the bloodstock, has announced the launch of two new vehicles called Breeding Capital II PLC and Breeding Capital III PLC, which will be open to investors on 8 January.

In addition to providing investors with access to an interesting asset class, which is often difficult to access by private investors, the two new vehicles will qualify as Enterprise Investment Scheme (EIS). As such they carry significant tax reliefs for investors.

Breeding Capital, which launched in 2006, says that its original bloodstock portfolio is currently delivering “excellent” returns to shareholders with an internal rate of return of over 40 percent. Its bloodstock sales in 2007 grossed more than double its initial cost less than twelve months earlier.

As well as the prospect of good returns and tax benefits, Breeding Capital says it also offers investors a clear exit strategy and a commitment to maintaining a significant investor relations programme.

The decision to form another two companies reflects the desire to raise sufficient funds whilst maximising the tax advantages for investors.

Breeding Capital points out that the bloodstock sector now has global significance. In North America and the European Union alone, bloodstock sales at public auction grossed in excess of \$2 billion in 2007.

The sector has a significant presence in the United States and Canada, South America, the UK, Ireland and France, South Africa, Japan, Australia and New Zealand. The bloodstock market in the UK and Ireland has strengthened over the last 10 years, with the average selling price of yearlings, the number of yearlings sold and the aggregate sales value increasing significantly.

Breeding Capital’s directors and management team includes a number a well known names drawn from the worlds of finance and the bloodstock sector such as Christopher Holdsworth Hunt, its chairman, a co-founder and previous managing director of KBC Peel Hunt; William Sporborg, (managing director), a Chartered Accountant who has spent past thirteen years investing in unquoted companies; and Simon Marsh a co-founder of the Watership Down Stud.