

Looking at football
from a different
point of view

MAFL 2008

1st January
Pre-Season 2008, No.2

Inside This Issue

- 1 Happy New Year
- 2 A Proposition Bet
- 3 Cloth and Cutlery Across the Seasons
- 5 MAFL Funds in 2008

This is Chi, the Official
MAFL Mascot™



That smug look is because
he's just found out that he
has his own Fund this year.

This is Quila, MAFL's
Official Apprentice
Tipster™



She's far brighter than Chi
... way too smart to worry
much about men in tight
shorts scrabbling over a
prolate spheroid.

Happy New Year

I hope all MAFL subscribers and their families had a great Xmas and a fantastic New Year.

It looks as though I'll be having an atypically busy January - traditionally a month in which consulting work is available only to hangover-management specialists. So, with billable work in the offing, I thought I'd get this second Newsletter out a little earlier than last year, which should give potential Investors plenty of time to understand the Funds that will trade in 2008 and to think about whether they want to speculate or spectate this year.

As you'll see in a later section, I've spent time over the break refining the existing algorithms and Funds and creating a brand new Fund that is based on Chi's tips.

In making all these changes I was looking to enhance the profit opportunities available to Investors without significantly reducing what I call 'game coverage' - that is, the proportion of games for which there's at least one bet. I think I've achieved this.

Close followers of MAFL will have noticed that none of the Head-to-Head wagering Funds have ever in years past risked a fling on true Away teams. My one remaining disappointment is that I'm still unable to create a Fund without this aversion. Maybe next year.

In the meantime, Investors will have to satisfy themselves with five Funds, four of them operating on Head-to-Head markets and one on Handicap markets.

In the next Newsletter we'll talk a little about the pre-season competition and its uselessness as a source of predictive information about the season proper. Meantime, to get you thinking about the year ahead, here's the draw for pre-season 2008.



(Yes that is 'Dubai' as the venue in very small print for the Pies v Crows clash on February 9th. I'm sure there's a very good reason ...)

A Proposition Bet

I've a proposition for you. Pick any game from the 2008 schedule you like. Then, when it's played, turn on the coverage at some predetermined but random point in the game and tell me who's next to score – behind, rushed behind, goal, any score at all. I don't want you to tell me who's in front at that point; just tell me which team has just scored. I'll agree to wager with you that whichever team just scored will go on to win the game.

Now, my knowing who scored gives me a tiny bit of information about the game so, instead of expecting you to take the bet at even money, what say I accept a price of \$1.95 for every \$1 wagered? That's pretty generous. After all, you've only told me who happened to be the next team to score after some randomly determined point in the game. Surely that can't provide too much of an edge, can it? Will you take the bet?

If you think about it for a while, you'll realise that the value of this bet depends on the extent to which winning teams have more scoring shots in a game than do losing teams. (Actually, it also requires that neither winning nor losing teams tend to 'clump' their scoring one more than the other, but let's assume that this is true for the sake of this discussion). Pretty clearly, winners will tend to have more scoring shots than losers, but just how many more?

	Ave Scoring Shots		Ave Goals Scored		Ave Behinds Scored	
	Winners	Losers	Winners	Losers	Winners	Losers
Q1	7.44	5.95	4.08	2.92	3.36	3.03
Q2	7.45	5.60	3.99	2.61	3.47	2.99
Q3	7.66	5.76	4.15	2.79	3.51	2.97
Q4	7.30	5.61	4.13	3.01	3.18	2.61
Total	29.86	22.93	16.35	11.33	13.51	11.60

	% of Scoring Shots		% of Goals Scored		% of Behinds Scored	
	Winners	Losers	Winners	Losers	Winners	Losers
Q1	56%	44%	58%	42%	53%	47%
Q2	57%	43%	60%	40%	54%	46%
Q3	57%	43%	60%	40%	54%	46%
Q4	57%	43%	58%	42%	55%	45%
Total	57%	43%	59%	41%	54%	46%

Winner and Loser Scoring 2007

for me in the long run. By now though, I guess you'd be sceptical of any proposition bet I put to you, so I doubt I could get you to entertain the idea.

An interesting feature of the table above is the consistency of all the percentage figures across the four quarters. So, even if you malevolently picked a 'random' time deliberately from the first quarter, thinking that this would provide almost no information about the eventual winner, I'd still make money, on average, at any price of \$1.80 or above.

You might wonder how typical the scoring percentages were in 2007. In the table at right I've listed the total percentages for each of the last 8 seasons.

It's remarkable how consistent the numbers are from season to season: winning teams have 57-58% of all scoring shots, and kick 59-60% of all goals and 53-56% of all behinds.

	% of Scoring Shots		% of Goals Scored		% of Behinds Scored	
	Winners	Losers	Winners	Losers	Winners	Losers
2007	57%	43%	59%	41%	54%	46%
2006	57%	43%	60%	40%	53%	47%
2005	57%	43%	60%	40%	53%	47%
2004	58%	42%	60%	40%	56%	44%
2003	57%	43%	59%	41%	54%	46%
2002	57%	43%	59%	41%	55%	45%
2001	58%	42%	60%	40%	55%	45%
2000	58%	42%	60%	40%	55%	45%

Winner and Loser Scoring 2000-2007

This year we're going to put my proposition bet to the test. Each week for each game I'll publish 4 random times, one for each quarter of the game. Then we'll track how often the first scorers after the nominated point are also the eventual winners. Wanna bet?

Cloth and Cutlery Across the Seasons

Geelong - as were West Coast at the same time last season - are strong favourites to be vexillologically repetitive this season. Such behaviour has been surprisingly common in the 111-season history of the VFL/AFL, during which there have been 27 back-to-back premiers. It's been a little less common, but still, on average, a twice-a-decade phenomenon in the 62 seasons since WWII, during which we've seen 12 repeat winners. The most recent back-to-back winners were the Lions, who threepeated across 2001, 2002 and 2003; before that, the most recent was the Hawks' pair of 1988 and 1989.

Only three teams that have won multiple flags during their club's history have never gone back-to-back: the Roos, the Swans and the Eagles.

Here's a table showing flag counts for each team decade by decade.

Flags 1897 – 2007

Team	1897 -00	1901 -10	1911 -20	1921 -30	1931 -40	1941 -50	1951 -60	1961 -70	1971 -80	1981 -90	1991 -00	2001 -07	Total
Carlton	-	3	2	-	1	2	-	2	2	3	1	-	16
Essendon	1	1	2	2	-	4	-	2	-	2	2	-	16
Collingwood	-	3	2	4	2	-	2	-	-	1	-	-	14
Melbourne	1	-	-	1	2	2	5	1	-	-	-	-	12
Brisbane Lions/Bears/Fitzroy	2	2	2	1	-	1	-	-	-	-	-	3	11
Richmond	-	-	1	1	2	1	-	2	3	-	-	-	10
Hawthorn	-	-	-	-	-	-	-	1	3	4	1	-	9
Geelong	-	-	-	1	2	-	2	1	-	-	-	1	7
Kangaroos/North Melbourne	-	-	-	-	-	-	-	-	2	-	2	-	4
Sydney/South Melbourne	-	1	1	-	1	-	-	-	-	-	-	1	4
West Coast	-	-	-	-	-	-	-	-	-	-	2	1	3
Adelaide	-	-	-	-	-	-	-	-	-	-	2	-	2
Port Adelaide	-	-	-	-	-	-	-	-	-	-	-	1	1
St. Kilda	-	-	-	-	-	-	-	1	-	-	-	-	1
Western Bulldogs/Footscray	-	-	-	-	-	-	1	-	-	-	-	-	1
Fremantle	-	-	-	-	-	-	-	-	-	-	-	-	-

Geelong's 2007 victory brought to five the total number of different winners produced this decade, leaving us needing just two more to equal the record of 7 set over the decade 1961 to 1970. In fact, with 3 more seasons still to be completed in the current decade, we've an outside chance of establishing a new record.

Another record we're on track to achieve is the first ever decade in which there has not been at least one flag collected by any of the four most successful clubs in the history of the game: Carlton, Essendon, Collingwood and Melbourne.

Speaking of not winning flags, Bulldogs fans have now waited 53 full seasons since their last flag (at which time they were cheering a team called 'Footscray'). Melbourne fans have waited a mere decade less at 43 seasons, and Saints fans just a couple of seasons fewer than that at 41. Other fans who've waited for 10 seasons or more are those supporting Richmond (27 seasons), Collingwood (17 seasons), Hawthorn (16 seasons), Carlton (12 seasons) and Fremantle (also 12 seasons – they've yet to win their first flag).

On average then, how long do teams make their fans wait for a premiership? Historically, Carlton and Essendon have produced the shortest average waits, having each won 16 flags in 111 seasons, which equates to about 6.9 seasons per flag. West Coast is next best at 7 seasons per flag (21 seasons for 3 flags), then Collingwood at 7.9 (111 for 14 flags), Adelaide at 8.5 (17 for 2 flags), Hawthorn at 9.2 (83 for 9 flags), Melbourne at 9.3 (111 for 12 flags), and Richmond at 10 (100 for 10 flags).

Worst on this measure are Fremantle for whom a stat can't be calculated (13 seasons for 0 flags), St Kilda at 111 (111 for 1 flag), the Bulldogs at 83 (83 for 1 flag), Sydney at 27.8 (111 for 4 flags) and Kangaroos at 20.8 (83 for 4 flags).

Now: from flags to ditches.

Since 1897 there have been 29 instances of back-to-back wooden spoons, 11 of them registered by the Saints and five of them coming from the Saints in the first six years of the competition.

Indeed, with a deferential nod to those cutlery-filled seasons of the early years, the Saints bagged 4 spoons in a row from 1983 to 1986, lapsed briefly in 1987 winning 9 games from 22 to finish a disappointing 4th last, then fired in another spoon in 1988 for old times' sake.

The following table shows, for each decade, the number of wooden spoons collected by each team.

Wooden Spoons 1897 – 2007

Team	1897 -00	1901 -10	1911 -20	1921 -30	1931 -40	1941 -50	1951 -60	1961 -70	1971 -80	1981 -90	1991 -00	2001 -07	Total
St. Kilda	4	5	1	1	-	4	3	-	2	5	1	-	26
Kangaroos/Nth Melbourne	-	-	-	3	5	-	1	3	1	-	-	-	13
Brisbane Lions/Bears/Fitzroy ¹	-	-	1	-	1	-	-	3	1	1	4	-	11
Hawthorn	-	-	-	3	1	5	1	1	-	-	-	-	11
Sydney/South Melbourne	-	1	-	1	2	-	-	1	3	-	3	-	11
Melbourne	-	2	1	1	-	-	1	1	2	1	1	-	10
Richmond ¹	-	-	1	-	-	-	1	-	-	2	-	2	6
Geelong	-	1	1	-	-	1	2	-	-	-	-	-	5
Essendon	-	1	1	1	1	-	-	-	-	-	-	-	4
Western Bulldogs/Footscray	-	-	-	-	-	-	1	1	-	1	-	1	4
University	-	-	4	-	-	-	-	-	-	-	-	-	4
Carlton	-	-	-	-	-	-	-	-	-	-	-	3	3
Collingwood	-	-	-	-	-	-	-	-	1	-	1	-	2
Fremantle	-	-	-	-	-	-	-	-	-	-	-	1	1
Adelaide	-	-	-	-	-	-	-	-	-	-	-	-	-
Port Adelaide	-	-	-	-	-	-	-	-	-	-	-	-	-
West Coast	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Wikipedia notes "In the war-time season of 1916, only four teams competed. Fitzroy finished last after the home-and-away season with a record of 2-9-1, and Richmond finished third with a record of 5-7-0. Fitzroy then won three consecutive finals games to claim the premiership, with Richmond shifting into overall last place as the lowest placed semi-final loser. There is hence some uncertainty regarding which team won the wooden spoon in that season". I reckon the team that comes last in the home-and-away season earns the spoon, even if they subsequently do go on to claim the Flag as well.

Essendon has now gone 74 complete seasons without a spoon, putting them just 5 seasons short of tying Collingwood's record of 79 seasons, which commenced with the start of the competition in 1897 and ended in 1976. Next best is Geelong who've been spoon-free for 49 seasons, then Hawthorn (42), the Roos (35), West Coast (21), Adelaide (17), the Swans (13) and Port Adelaide (11).

While most of these teams have been avoiding spoons, St Kilda, as we've noted, has been diligently collecting them (though, to be fair, it must be acknowledged that they've been less assiduous of late with only 2 spoons in the past 20 seasons). Over their entire history they comfortably head the seasons per spoon table having accumulated spoons at the rate of about 1 every 4.3 seasons (111 seasons for 26 spoons). Next highest are the Roos at 6.4 (83 for 13 spoons), Hawthorn at 7.5 (83 for 11 spoons), then the Lions and Sydney at 10.1 (111 for 11 spoons), Melbourne at 11.1 (111 for 10 spoons) and Fremantle at 13 (13 for 1 spoon).

After putting these sections on flags and spoons together I got to wondering about whether teams' spoon-collecting would be positively or negatively correlated with their flag-collecting. I could come up with a couple of hypotheses:

The correlation will be positive because flag and spoon collecting are both largely a function of how long a team has been about. Older teams will tend to have more of both and younger teams fewer.

The correlation will be negative because teams will either be chronic spoon junkies or incurable flag accumulators. After all, if you're winning flags you can't be winning spoons too can you (the 1916 Bears aside)?

So, having proffered a plausible explanation for both outcomes ... I'm still wrong. The correlation is actually -0.03, as close to 0 as doesn't matter.

Brisbane (11 flags and 11 spoons), Hawthorn (9 and 11), Geelong (7 and 5) and, to a lesser extent Richmond (10 and 6) all lend their weight to the 'correlation should be positive' argument. But St Kilda (1 flag and 26 spoons), the Roos (4 and 13), Sydney (4 and 11), Essendon (16 and 4), the Bulldogs (1 and 4), University (0 and 4) and Collingwood (14 and 2) all make an effective case for the defence.

MAFL Funds in 2008

This year Investors have an even broader range of Funds in which they can invest. All four of the Funds that traded last year are available again this year, albeit with some minor tweaks, plus there's a brand new Fund, based on Chi's tips and showing a great deal of promise in previous-season testing.

Here are the details.

Characteristics of the MAFL Funds

	Heritage Fund	Alpha and Beta Funds ¹	Chi Fund	Line Fund
First round of wagering	Round 1	Round 4	Round 5	Round 5
Bet Types	Head-to-Head	Head-to-Head	Head-to-Head	Line/Handicap
Team types wagered on	True home teams ² only (in games where this is one), otherwise either team Price on offer must be at least \$2.00	True home teams only	True home teams ² only (in games where this is one), otherwise notional home team only. Tipped margin of victory must be between 1.00 and 12.99 points	Teams receiving between 7½ and 20½ points start on line betting
Wagers on teams that it expects to lose?	Yes	Yes	No	Yes (if they're given sufficient start)
Wager size is determined by ...	Odds offered relative to estimated probability of victory	Odds offered relative to estimated margin of victory, converted to a probability of victory	Odds offered relative to estimated probability of victory	Odds offered relative to estimated probability of victory, given points start
Likely maximum bet (as % of original Fund size)	Games with a true home team: 10-12% Games with no true home team: 15-18%	15-20%	15-20%	15%
Special characteristics	Will often wager on rank outsiders	The two Funds will sometimes, but not always, wager on the same team. Their successes and failures tend to offset ³	Likely to make some relatively large bets. Will bet on favourites about 65-75% of the time, so often bets on teams that Heritage won't	Fund Model is based on two year's history, but TAB Sportsbet handled small-start games differently in 2007 than in 2006 (see below)
Potential Performance				
- Number of Bets	55-65	10-20	35-45	25-30
- % winning	30-40%	55-65%	60-70%	55-65%
- Ave. Bet (% of Fund)	5-6%	7-8%	8-10%	12-15%
- Return on Bets	2%	4%	4%	3%
- Turn ³	4½	1	3½	4
- Return On Fund ⁴	9%	4%	14%	12%
Recommended Weight	30%	20% (each Fund)	15%	15%

1. These two Funds are presented together not just because of their underlying similarities but also to reinforce the fact that, due to their tendency to produce negatively correlated returns, they should ideally be invested in with identical amounts.
2. For a discussion of true home teams, see my previous newsletter
3. The number of times that the money in the Fund is expected to be wagered over the course of the season. High turn means greater potential Return on Funds, but at a higher risk of bankruptcy.
4. No warranty, expressed or implied, is offered in relation to the magnitude (or even the sign) of these numbers. Intending investors should seek professional investment advice and, once the laughing subsides, consider the potential for an investment in MAFL as part of a balanced portfolio. Standard & Poors have rated MAFL Ha+.

Let's take a closer look at each of the Funds.

Heritage Fund: As its name suggests, this Fund is the oldest amongst all those in MAFL. It's a Fund that only a mother could love, compulsively lobbing ludicrously lavish wagers on rank outsiders at seemingly every opportunity. Last year, for example, it made 13 bets on Carlton, winning only 3 of them and thereby handing almost one-third of Heritage funds directly to the TAB.

But, it also made an apparently equally ill-advised 9 bets on Richmond, winning only 3, but still adding 50c to the Heritage Fund share price in doing so.

In short, it's been a frustrating but ultimately profitable Fund in both years of its operation; it's hard to stay mad at a Fund when you're making money from it.

In-Market Performance of the Heritage Fund 2006-2007

Year	# Bets	Win	Lose	Draw	ROI	Turn	RONF
2006	62	20	41	1	9.7%	1.3	12.2%
2007	67	25	41	1	2.6%	4.3	12.4%

Some changes to the original Heritage Fund Model algorithm were made for season 2007. Only one further change has been made in preparation for season 2008: a prohibition on wagering on teams priced under \$2. This change stems from an analysis of the Fund's performance – both actual and simulated – using recent seasons' data. For example, in 2007, the Heritage Fund had 8 bets on teams priced under \$2, recording 3 wins and 5 losses and an ROI of -2.1% on these bets.

Obviously, this change will reduce the number of bets that this Fund makes, but I still expect it to make 2 or 3 bets in an average round.

Investor Profile: not for those who believe that wagering profit should come slowly but consistently from prudent wagering on near-certain victors. Conversely – particularly now with the prohibition on wagering on favourites – should appeal to those who enjoy the thrill of the occasional 'big win'.

Alpha Fund: This Fund only commenced trading in 2007 and, in the absence of any long-term evidence of its efficacy or otherwise, I've chosen not to make changes to the underlying Alpha Fund Model algorithm.

Generally, the Fund is expected to select teams much as Chi chooses his spot when the grass in the backyard is long and damp – carefully and at some length, recognising the unpleasant consequences of a poor selection – and to shun extreme longshots.

This it most certainly did in season 2007 but to a far greater extent than I expected, making only 11 bets all season and producing a betless spell from rounds 10 to 19 which made me wonder if I'd somehow offended it. When it deigned to bet though it did so with impressive accuracy; even more impressive when you realise that one of its 3 losses was the result of Carlton's remarkably tank-like performance in round 20. (Not that I'm saying they tanked, merely that the resemblance was there).

In-Market Performance of the Alpha Fund 2007

Year	# Bets	Win	Lose	Draw	ROI	Turn	RONF
2007	11	8	3	-	38.3%	0.4	14.7%

So, to take maximum prudent benefit from the Alpha Fund's infrequent wagering, I've decided to increase its average bet size by 50% this year.

Investor Profile: about as anti-Heritage a Fund as we have. The average price of the teams on which it wagered last season was \$2.14. This Fund should appeal to Investors who believe that a good wager, rather like a fine wine, is something worth waiting for and, once landed, to be savoured.

Beta Fund: This Fund also only commenced trading in 2007. Though conceived as the twin-brother to the Alpha Fund, with similar conservative tendencies, the Beta Fund contrived to lose 9 of the first 12 bets it placed, driving its share price under 72c, then conjured 5 successful bets in a row from round 18 to the end of the season, resurrecting its reputation and lifting its share price to \$1.05. The last two bets of the season represented almost one-quarter of initial funds and their success lifted the share price by almost 26½c.

In-Market Performance of the Beta Fund 2007

Year	# Bets	Win	Lose	Draw	ROI	Turn	RONF
2007	17	8	9	-	7.3%	0.8	4.8%

To maintain parity between the Alpha and Beta Funds, I've also decided to increase the Beta Fund's average bet size by 50% this year.

Investor Profile: Though its performance last year might not, on the face of it, suggest it, this Fund should appeal to the same Investors as the Alpha Fund. In support of this claim is the fact that the average price of the teams on which it wagered last season was \$1.97 – less than the equivalent average for the Alpha Fund.

Chi Fund: This is a brand new Fund for season 2008 and seeks to capitalise on the successful tipping performance demonstrated by Chi in season 2007. Though there's no actual in-market performance for this Fund, I have simulated its performance over the past 3 seasons.

Simulated Performance of the Chi Fund 2005-2007

Year	# Bets	Win	Lose	Draw	ROI	Turn	RONF
2005	41	26	15	-	53.0%	3.8	200.8%
2006	36	25	10	1	28.8%	3.1	88.2%
2007	41	27	12	2	21.8%	3.9	85.4%

Before you start hocking furniture and family members to raise cash to plough into this Fund, please recognise that, whilst the performance shown here is impressive, extrapolation of its performance through season 2008 is fraught. Why? Because it's the result of taking an algorithm that's known to pick a lot of winners and then identifying the characteristics of those correct tips that it makes that would also be profitable if wagered upon. In other words, to a significant extent, the results are good because I've made them that way. So, marvelling at this Fund's results is a little like a puddle marvelling at how extraordinarily snugly the hole fits it, almost as if the hole were designed for the puddle (to borrow a simile from somebody else).

That said, I've tried not to grossly offend William of Occam and so have applied just four constraints on the Fund. So, we only bet if Chi's tip:

- Is for the true home team (or the notional one in games on neutral grounds)
- Has an associated margin between 1.0 and 12.99 points
- Is for a team whose price represents value assuming that Chi will be right 70% of the time (ie is at least \$1.45)
- Is for a game not in the first four rounds of the season

What I particularly like about the Chi Fund (apart from its apparent penchant for turning a profit) is the fact that it tends to bet on teams that the other three Head-to-Head wagering Funds don't. Last year, for example, almost 60% of the Chi Fund's wagers would have been on teams shunned by the Heritage, Alpha and Beta Funds (under their 2008 wagering rules).

I'm looking forward to following the progress of this Fund in particular.

Investor Profile: Undoubtedly a Fund for the adventurous Investor as it has no proven pedigree, rather like its namesake.

Line Fund: This Fund launched in season 2007 and was built solely on margin data available for the 2006 season. As I warned at the time, like an outback toilet, that's not a lot to go on.

Across the 2007 season the Fund's performance was what an analyst would call 'highly volatile'. A 3 and 7 start to the season pile-drove the share price to its nadir of 75c after just 8 rounds (for 4 of which it was forced to sit on its hands). Then, bolstered by a charmed run of 11 and 4, the price soared to \$1.29 early in round 13, before sliding away on the back of an 8 and 12 season-ending run, to finish at just under 99c.

In-Market Performance of the Line Fund 2007

Year	# Bets	Win	Lose	Draw	ROI	Turn	RONF
2007	46	23	23	-	-0.1%	3.3	-1.2%

The Fund's lack of profitability seems to have been caused, at least in part, by the different way in which TAB Sportsbet handled contests that were expected to be close in 2007 compared with how it handled them in earlier years.

In 2006, the TAB team had happily set handicaps as small as ½ point to preserve their ability to set initial prices of \$1.85 for each team. In 2007, with rare exception, they did the opposite: fixed the minimum points start and let the prices vary. So, they'd set the start to 6½ points and adjust the opening market prices to reflect just how much they felt that 6½ points start favoured one side or the other.

The Line Fund algorithm did not cope well with this change, recording 3 wins and 11 losses on those teams on which it wagered with 6½ points start. It is for this reason that the Line Fund will in season 2008 ignore teams receiving less than 7½ points start.

Further analysis showed that the Line Fund also did poorly on teams receiving more than 20½ points start. Accordingly, such teams will also be avoided in season 2008.

It's important that Investors realise that the Line Fund is still in its experimental phase, so any investment should be considered highly speculative.

Investor Profile: Like the Chi Fund, the Line Fund is one for the adventurous Investor. Neither it nor the Chi Fund alone are likely to offer sufficient 'action' for the die-hard Investor; together though they can be expected to wager on a little less than one-third of the games across the season.

~*~*~*~*~*~*~*~*~*~*

Investors are welcome to invest in as many or as few of the Funds as they wish. Last year, however, demonstrated the value in diversification, with those Investors hoping to pick the single most-profitable Fund generally faring worse than those who put at least a little in every Fund.

Of course, looking back, a single-Fund strategy of investing 100% in the Alpha Fund would have been the most lucrative, if a little pedestrian, turning every \$100 invested into \$114.70. Better still would have been a 100% Heritage Fund strategy with an exit after round 19. This would have turned each \$100 into \$167.70. But, as my father emphatically if somewhat cryptically states in such circumstances, "Yeah, and your aunty could've been your uncle" or, even more unfathomably, "Yeah, and the dog would've caught the hare". The general gist, I think, is that it's easy to be wise in hindsight. Which is, inarguably, true (and, apparently, a cause of much celebration for the hare population).

Investors are therefore advised to consider spreading their risk by investing in a range of Funds. Doing this will also increase the proportion of games in which an Investor can expect to have a wager, as shown in the following table, which gives 'game coverage' for any mix of Funds based on the new Fund rules and the 2007 season data.

Fund Combinations and Game Coverage

	Funds Invested In				Games with wager		Number of Bets
	Heritage	Alpha & Beta	Chi	Line	No.	%	
Single Fund	•				60	32%	60
		•			23	12%	27
			•		41	22%	41
				•	25	14%	25
Two Funds	•	•			74	40%	87
	•		•		91	49%	101
	•			•	71	38%	85
		•	•		52	28%	68
				•	42	23%	52
Three Funds	•	•	•		98	53%	128
	•	•		•	83	45%	112
	•		•	•	99	54%	126
		•	•	•	67	36%	93
All	•	•	•	•	104	56%	153

In preparing this table I've treated Alpha and Beta as a single Fund since, as I noted earlier, they should be treated by Investors as such.

If you're looking for maximum coverage you would, of course, invest in all Funds. This, as shown in the bottom row of the table, would have seen you last year with wagers in 104 games, which is 56% of all games including the Finals, and with 153 wagers in those games.

(By way of comparison, 2007 Investors who put money in all 4 Funds had 141 wagers in 100 games.)

Instead, if you wanted to avoid the Line Fund but still maximise your coverage, the top row of the Three Funds section shows that investing in Heritage, Alpha/Beta and Chi would have seen you with bets in 98 games (53%) and with 128 bets.

Or, if you wanted to keep things simple and invest in no more than two Funds but still maximise game coverage, then you'd go for the Heritage and Chi combo which shows 101 bets in 91 games (49%).

I can't promise you that season 2008 will turn out exactly as shown here, but the table should give you a rough guide to help you with your Funds selection.

~*~*~*~*~*~*~*~*~*~*~*~*~*~*~*~*~*~*~*

Answers to the True or False Questions from the last Newsletter (Green = True, Red = False)

1. To protect its copyright the VFL once changed the jumper numbers for the teams playing in the upcoming Grand Final
(It happened in 1958 when the original numbers were published early in the week in the Sun News Pictorial)
2. In support of a charity, pink Steedens were once used in every game of the round
(Firstly, the AFL use Sherrins not Steedens and, in any case, I can find no reference to pink balls ever being used for a match. Also, please note that I had *nothing* to do with Adam Gilchrist's gloves for the First Test ...)
3. The telecast of a funeral once led to the rescheduling of a Final
(It was Princess Diana's funeral in 1997 and caused the Second Qualifying final between Adelaide and West Coast to be delayed from the Saturday night until the next afternoon)
4. Goal posts must be at least 6m high and circular in cross-section
(The height minimum is correct, but I can find no stipulation as to cross-section. Watch out for the competition's first dodecahedral goal posts or razor-thin ones that deflate the ball on contact)
5. During WWII football bladders were so scarce that teams were forced to recondition used balls
(In 1945 each team was asked to return one used ball per week to the League for this purpose)
6. Mick Malthouse insists that his players be able to handpass with either hand
(I made this up, but it did get me to thinking: do players handpass with either hand? One to watch this season.)
7. The captain of the away team selects the ball to be used for the entire match
(Technically this is correct, according to the Laws "Unless the Controlling Body decides on an alternative procedure ...". Do they really only use one ball for the game?)
8. The rules once permitted place-kicking for goal
(Actually, from what I can gather, it's still legal though I imagine that obtaining sufficient elevation to clear the man on the mark would be an issue.)
9. Ron Barassi once publicly endorsed a brand of peanut butter
(It was in a booklet given away with every 12oz jar of Daffodil 'scrunchy' peanut butter in the 1960s)
10. Full-forwards consider it bad luck to touch the behind post before the first centre-bounce
(Not to my knowledge, but it might be fun to create the myth and see if it spreads ...)

'til next time,

Tony

1 January 2008