



# MAFL Funds : Season 2007

Where Statistics Meets Leather and Grass

6 September 2007

Season 2007, Number 23 (Qualifying and Elimination Finals)

In this Edition of the newsletter:

- Wagers and tips for the Qualifying and Elimination Finals
- The Contenders
- The Finals System
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## And Then There Were Eight



QUALIFYING FINAL #2	ELIMINATION FINAL #1	ELIMINATION FINAL #2	QUALIFYING FINAL #1
 <p><b>Port Adelaide</b> v <b>West Coast</b> Football Park 7<sup>th</sup> September, 8:20pm</p>	 <p><b>Hawthorn</b> v <b>Adelaide</b> Telstra Dome 8<sup>th</sup> September, 2:30pm</p>	 <p><b>Collingwood</b> v <b>Sydney</b> MCG 8<sup>th</sup> September, 7:30pm</p>	 <p><b>Geelong</b> v <b>Kangaroos</b> MCG 8<sup>th</sup> September, 2:45pm</p>
<p><b>Head-to-Head</b> PA \$1.70 / WC \$2.10 (PA 52-59%)</p>	<p><b>Head-to-Head</b> Haw \$2.20 / Ade \$1.63 (Adelaide 55-61%)</p>	<p><b>Head-to-Head</b> Col \$2.05 / Syd \$1.72 (Sydney 51-58%)</p>	<p><b>Head-to-Head</b> Gee \$1.22 / Kan \$4.00 (Geelong 75-82%)</p>
<p><b>Line Betting</b> Port Adelaide -7½ pts</p>	<p><b>Line Betting</b> Hawthorn +8½ pts</p>	<p><b>Line Betting</b> Collingwood +6½ pts</p>	<p><b>Line Betting</b> Geelong -24½ pts</p>
<p><b>Heritage Fund Bet</b> -</p>	<p><b>Heritage Fund Bet</b> -</p>	<p><b>Heritage Fund Bet</b> 5.89% (4.29%) on Collingwood</p>	<p><b>Heritage Fund Bet</b> 11.97% (8.72%) on Kangaroos</p>
<p><b>Alpha Fund Bet</b> 7.85% (7.23%) on Port Adel</p>	<p><b>Alpha Fund Bet</b> -</p>	<p><b>Alpha Fund Bet</b> 0.48% (0.44%) on Collingwood</p>	<p><b>Alpha Fund Bet</b> -</p>
<p><b>Beta Fund Bet</b> 10.28% (10.54%) on Port Adel</p>	<p><b>Beta Fund Bet</b> -</p>	<p><b>Beta Fund Bet</b> -</p>	<p><b>Beta Fund Bet</b> -</p>
<p><b>Line Fund Bet</b> -</p>	<p><b>Line Fund Bet</b> -</p>	<p><b>Line Fund Bet</b> 7.78% (8.03%) on Collingwood</p>	<p><b>Line Fund Bet</b> -</p>
<p><b>Chi's Tip</b> Port Adelaide by 10</p>	<p><b>Chi's Tip</b> Adelaide by 10</p>	<p><b>Chi's Tip</b> Collingwood by 2</p>	<p><b>Chi's Tip</b> Kangaroos by 8</p>
<p><b>Quila's Tip</b> Port Adelaide by 11</p>	<p><b>Quila's Tip</b> Adelaide by 10</p>	<p><b>Quila's Tip</b> Collingwood by 1</p>	<p><b>Quila's Tip</b> Kangaroos by 3</p>

Chi and Quila have both tipped underdog victories for the Pies and the Roos this week – results that would certainly be welcomed by Investors. In the two other games, they've opted for the favourites in the form of the two Adelaide teams.

One of their underdog tips is the Roos, who they've tipped to topple Geelong. Whilst the Cats are undoubtedly a good side, I suspect there's more than a little supporter sentiment weighing heavily on their head-to-head price. What's more, the Roos are one of only three teams to have beaten Geelong this year and they're coming into the final series having registered back-to-back victories, albeit against lesser opposition in the Bulldogs and the Blues; surely they're entitled to be a bit shorter than \$4.00.

- Six bets on 3 teams across 3 games with around 18% of (Notional Initial) Heritage Funds, 8¼% of Alpha Funds, 10¼% of Beta, and 7¼% of Line Funds at risk

## So Much For A Quiet Finals Series

Statistical modellers rely heavily on the assumption that the future can be reliably predicted based on knowledge of the past. We get surprised a lot.

Take this weekend for example. Last year, MAFL barely cast a wager in anger throughout the entire finals series, finding value in only two games across the four weekends and nine games. Most extrapolations from that experience would yield miserable predictors of the table below.

### Qualifying & Elimination Finals Wagers

	Team Wagered On	Bet Size (Init) <sup>1</sup>	Bet Size (Cur) <sup>2</sup>	Price Obtained	Points Start	Opponent
Heritage	Collingwood	5.89%	4.29%	\$2.05	-	Sydney
	Kangaroos	11.97%	8.72%	\$4.00	-	Geelong
Alpha	Port Adelaide	7.85%	7.23%	\$1.70	-	West Coast
	Collingwood	0.48%	0.44%	\$2.05	-	Sydney
Beta	Port Adelaide	10.28%	10.54%	\$1.70	-	West Coast
	Collingwood	7.78%	8.03%	\$1.90	6½	Sydney

1 Bets as a proportion of initial (notional) funds

2 Bets as a proportion of current funds

I have to admit, the moment I saw the Roos at \$4.00 my immediate thought was “Heritage Fund bait”. After all, a Fund that’s willing to lob suitcase-loads of cash at the likes of teams snugly positioned 14<sup>th</sup> through 16<sup>th</sup> on the ladder was never going to bypass an opportunity to air out some readies on a team with a 4<sup>th</sup> placed pedigree offering 3/1 odds. And so it is.

The continued enthusiasm of the Alpha and Beta Funds remains, however, genuinely startling, both intellectually and, especially for those Investors long on the Alpha and Beta Funds, financially. The amount that the Alpha Fund has wagered this weekend represents almost 30% of the entire amount that this Fund has wagered across the entire regular season; the equivalent figure for the Beta Fund is about 15%. I think I preferred it when I was mocking their cowardice and sloth.

Only the Line Fund has shown a modicum of control this weekend, opting for just the one bet, an “insurance” bet on the Pies, a team with whom the Line Fund has had a modest 2 and 1 record so far for the season.

By the way, it’s important that Investors realise that if, at the end of normal time, any of this weekend’s games are tied, these games will move into an ‘extra time’ phase comprising 2 periods each of 5 minutes duration (and further batches of two such periods if scores remain locked, until a result is achieved). Bets on such games will be declared on the basis of the score **at the end of any such extra time**, not on the score at the end of regulation time.

So, for example, if the Swans and the Pies are locked up when the final siren goes, we don’t win the Line bet and we don’t get half-price on the two head-to-head bets. Instead, we endure 10 minutes of extra footy (at least) and hope that the Pies will prevail at the end of it.

Let me just state in advance: losing under those circumstances would truly suck.

- Roos or Pies and Port sufficient for most Investors

This weekend's Ready Reckoner is simple if profound, particularly for those Investors following Strategy C+ for whom the Roos v Cats game will surely hold special interest.

### Qualifying & Elimination Finals Ready Reckoner (all returns are as a % of Total Notional Initial Funds)

		Win	Lose by less than the Spread	Lose by more than the Spread
Strategy A	Port Adelaide	+4.44%	-6.35%	
	Collingwood	+2.11%	-0.65%	-2.12%
	Kangaroos	+7.18%	-1.18%	
Strategy B	Port Adelaide	+3.17%	-4.53%	
	Collingwood	+3.42%	+0.16%	-3.54%
	Kangaroos	+8.98%	-1.47%	
Strategy C+	Port Adelaide	+1.27%	-1.81%	
	Collingwood	+5.16%	-2.18%	-5.14%
	Kangaroos	+21.55%	-3.53%	
Strategy D	Port Adelaide	+0.00%	+0.00%	
	Collingwood	+7.00%	+7.00%	-7.78%
	Kangaroos	+0.00%	+0.00%	
Strategy E	Port Adelaide	+3.81%	-5.44%	
	Collingwood	+2.79%	+0.08%	-2.88%
	Kangaroos	+7.18%	-1.18%	

So,

- for Strategy A Investors, a Port or a Roos win will be enough to produce a profit
- Strategy B Investors need any two of the wagered upon teams to win (or, in the Pies' case, to win with start)
- Strategy C+ and E Investors need the Roos to win, or Port and Collingwood to win (in Strategy E's case, a Pies win with start is sufficient)
- Strategy D Investors need Collingwood to win, with start

## The Contenders

Let's take a look at how the teams in the final 8 have fared when playing other teams in the 8 this year. Firstly, here's the game-by-game picture:

		Away Team (notional if *)							
		Geelong	Port Adel	West Coast	Kangaroos	Hawthorn	Collingwood	Sydney	Adelaide
Home Team (notional if *)	Geelong		PA by 5 (R21)	GEE by 39 (R7)	KAN by 16 (R5)		GEE by 16 (R15)*	GEE by 18 (R13)	GEE by 33 (R19)
	Port Adelaide	GEE by 56 (R9)		PA by 91 (R15)	PA by 18 (R2)	HAW by 34 (R10)			ADE by 24 (R3)
	West Coast				WC by 66 (R10)		WC by 12 (R2)	WC by 12 (R16)	
	Kangaroos	GEE by 27 (R20)		WC by 17 (R19)		HAW by 21 (R3)	COL by 3 (R1)*	KAN by 16 (R6)	ADE by 46 (R12)*
	Hawthorn	HAW by 4 (R4)*	PA by 5 (R20)*	HAW by 35 (R9)*	KAN by 37 (R17)*			SYD by 9 (R11)	
	Collingwood		PA by 18 (R4)			HAW by 8 (R13)*		COL by 25 (R21)	ADE by 19 (R22)*
	Sydney		SYD by 31 (R8)	WC by 1 (R1)		SYD by 72 (R22)	COL by 19 (R12)		
	Adelaide	GEE by 7 (R11)	ADE by 8 (R18)	WC by 21 (R13)		ADE by 71 (R14)	COL by 24 (R6)	ADE by 17 (R4)	

\* notional home game (except for Carlton and Sydney, only 1 home ground recognised for each team)

In total then, of the 56 possible home and away pairings of the top 8 teams, 17 (or about 30%) have not occurred this season. Geelong has missed 4 possible pairings, as have Port Adelaide, the Roos, Hawthorn, Adelaide and Sydney; West Coast and Collingwood have missed 5 each.

Here's the summary of these games:

	Won	Lost	Has Beaten	Lost To
Geelong	7	3	Adelaide (2), Port Adelaide, West Coast, Kangaroos, Collingwood, Sydney	Port Adelaide, Hawthorn, Kangaroos
Port Adelaide	5	5	Geelong, West Coast, Kangaroos, Hawthorn, Collingwood	Adelaide (2), Geelong, Hawthorn, Sydney
West Coast	6	3	Kangaroos (2), Sydney (2), Collingwood, Adelaide	Geelong, Port Adelaide, Hawthorn
Kangaroos	3	7	Geelong, Hawthorn, Sydney	Hawthorn (2), Geelong, Port Adelaide, West Coast, Collingwood, Adelaide
Hawthorn	5	5	Geelong, Port Adelaide, West Coast, Kangaroos, Collingwood	Sydney (2), Port Adelaide, Kangaroos, Adelaide
Collingwood	4	5	Sydney (2), Kangaroos, Adelaide	Geelong, Port Adelaide, West Coast, Hawthorn, Adelaide
Sydney	3	7	Hawthorn (2), Port Adelaide	West Coast (2), Collingwood (2), Geelong, Kangaroos, Adelaide
Adelaide	6	4	Port Adelaide (2), Kangaroos, Hawthorn, Collingwood, Sydney	Geelong (2), West Coast, Collingwood

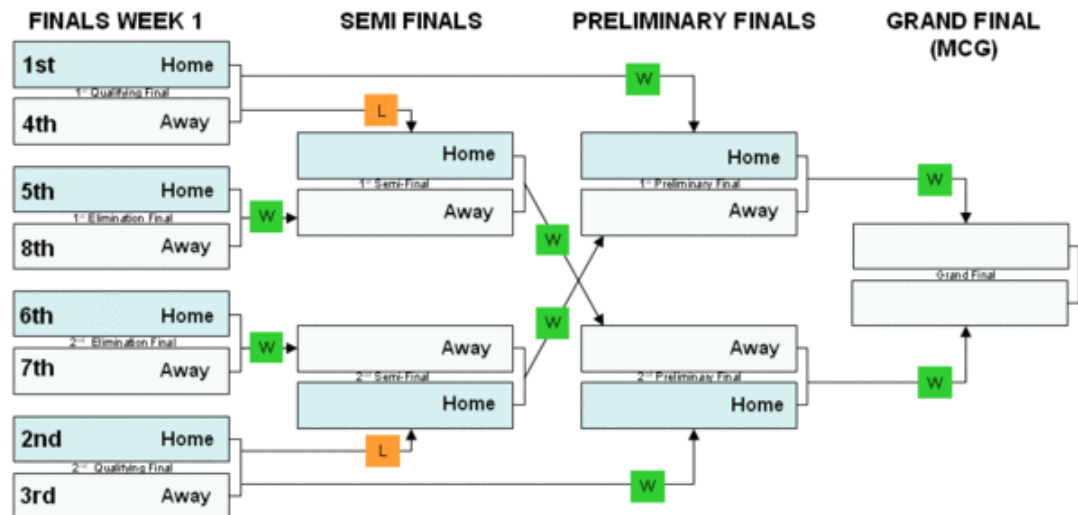
So, turning to this weekend's games:

- The Roos are one of only three teams in the 8 to have beaten the Cats this season
- Sydney have lost to Collingwood in both of this season's encounters
- Port Adelaide beat West Coast in their only matchup this season
- Adelaide beat Hawthorn in their only matchup this season

These facts, I think, make sense of the Chi and Quila tips and of our wagers.

## The Finals System

Here's a quick refresher on the AFL Final 8 system (the picture is courtesy of Wikipedia).



Under this system (which, curiously, does not currently have a name, unlike the NRL's McIntyre System) finishing in the top 4 is advantageous because it allows a team to lose in Week 1 without being eliminated. Finishing in the top 2 provides the added bonus of guaranteeing (unless MCG contractual requirements intervene) two home games.

Similarly, finishing 5<sup>th</sup> or 6<sup>th</sup> is better than finishing 7<sup>th</sup> or 8<sup>th</sup> as it guarantees a home final in Week 1 (again, MCG permitting, as Hawthorn know). Finishing 7<sup>th</sup> or 8<sup>th</sup> is better than finishing any lower because it means you get to defer Mad Monday for at least another week.

Under the AFL's system, the only Grand Final combinations that are not possible from the start are 5<sup>th</sup> v 8<sup>th</sup> and 6<sup>th</sup> v 7<sup>th</sup> since, as these are the Week 1 Elimination Finals, one of each of these combinations must be eliminated. So, a 7<sup>th</sup> v 8<sup>th</sup> Grand Final is technically possible, as is a 1<sup>st</sup> v 8<sup>th</sup>. In fact, astonishingly, as I type this, a Geelong v Adelaide Grand Final, which would represent exactly that outcome, is only paying \$8 on Sportsbet, making it the third lowest priced Grand Final Quinella. Surely it must be harder than that for 8 to meet 1 in the Grand Final.

That said, since its inception in 2000, the current Finals system has not produced a Grand Finalist from outside the top 4, nor a winner from outside the top 3, as this graphic depicts.

Season	Rank	Team	QF1	SF1	PF1	QF2	SF2	PF2	GF
Season 2000	1st	Essendon	QF1	-	PF1	GF			
	2nd	Carlton	QF2	SF2	PF1				
	3rd	Melbourne	QF2	-	PF2	GF			
	4th	Kangaroos	QF1	SF1	PF2				
	5th	Geelong	EF1						
	6th	Brisbane	EF2	SF2					
	7th	Bulldogs	EF2						
	8th	Hawthorn	EF1	SF1					
Season 2001	1st	Essendon	QF1	-	PF1	GF			
	2nd	Brisbane	QF2	-	PF2	GF			
	3rd	Pt Adelaide	QF2	SF2					
	4th	Richmond	QF1	SF1	PF2				
	5th	Carlton	EF1	SF1					
	6th	Hawthorn	EF2	SF2	PF1				
	7th	Sydney	EF2						
	8th	Adelaide	EF1						
Season 2002	1st	Pt Adelaide	QF1	SF1	PF2				
	2nd	Brisbane	QF2	-	PF2	GF			
	3rd	Adelaide	QF2	SF2	PF1				
	4th	Collingwood	QF1	-	PF1	GF			
	5th	Essendon	EF1	SF1					
	6th	Melbourne	EF2	SF2					
	7th	Kangaroos	EF2						
	8th	West Coast	EF1						
Season 2003	1st	Pt Adelaide	QF1	SF1	PF2				
	2nd	Collingwood	QF2	-	PF2	GF			
	3rd	Brisbane	QF2	SF2	PF1	GF			
	4th	Sydney	QF1	-	PF1				
	5th	Fremantle	EF1						
	6th	Adelaide	EF2	SF2					
	7th	West Coast	EF2						
	8th	Essendon	EF1	SF1					
Season 2004	1st	Pt Adelaide	QF1	-	PF1	GF			
	2nd	Brisbane	QF2	-	PF2	GF			
	3rd	St Kilda	QF2	SF1	PF1				
	4th	Geelong	QF1	SF2	PF2				
	5th	Melbourne	EF1						
	6th	Sydney	EF2	SF1					
	7th	West Coast	EF2						
	8th	Essendon	EF1	SF2					
Season 2005	1st	Adelaide	QF1	SF1	PF2				
	2nd	West Coast	QF2	-	PF2	GF			
	3rd	Sydney	QF2	SF2	PF1	GF			
	4th	St Kilda	QF1	-	PF1				
	5th	Kangaroos	EF1						
	6th	Geelong	EF2	SF2					
	7th	Melbourne	EF2						
	8th	Pt Adelaide	EF1	SF1					
Season 2006	1st	West Coast	QF1	SF1	PF2	GF			
	2nd	Adelaide	QF2	-	PF2				
	3rd	Fremantle	QF2	SF2	PF1				
	4th	Sydney	QF1	-	PF1	GF			
	5th	Collingwood	EF1						
	6th	St Kilda	EF2						
	7th	Melbourne	EF2	SF2					
	8th	Bulldogs	EF1	SF1					
Season 2007	1st	Geelong							
	2nd	Pt Adelaide							
	3rd	West Coast							
	4th	Kangaroos							
	5th	Hawthorn							
	6th	Collingwood							
	7th	Sydney							
	8th	Adelaide							

Each column in the final series block for each year represents a week of the finals. So, for example in the first week of last year's finals, West Coast lost the first Qualifying Final to Sydney, Adelaide won the second Qualifying Final against Fremantle, the Bulldogs eliminated Collingwood, and Melbourne took out the Saints. In the second week, West Coast knocked out the Bulldogs, and Fremantle knocked out Melbourne (Adelaide and Sydney had the week off). And so it goes.

So far, under this system:

- No team finishing 7<sup>th</sup> or 8<sup>th</sup> has proceeded beyond the Semi Finals (ie week 2)
- Every Grand Final has included at least one of the teams that finished 1<sup>st</sup> or 2<sup>nd</sup>
- Teams that have finished 1<sup>st</sup> have played in 4 of the 7 Grand Finals, winning 3 and losing 1
- Teams that have finished 2<sup>nd</sup> have played in 5 of the 7 Grand Finals, winning 2 and losing 3
- Teams that have finished 3<sup>rd</sup> have played in 3 of the 7 Grand Finals, winning 2 and losing 1
- Teams that have finished 4<sup>th</sup> have played in 2 of the 7 Grand Finals, losing both



## Update on TAB Sportsbet Prices

Geelong continue to be priced at \$2.10 and clear, if unbackable, favourites to win the Flag. West Coast have eased a little and are now at \$5.25 making them (bookie's vig aside), less than half as likely to win the Flag as the Cats. Port Adelaide are now also at \$5.25, amazing when you consider that they were priced at \$71 back on June 12.

### TAB Sportsbet Prices : 4<sup>th</sup> September 2007

	Bookmaker's Prices Flag	
	4-Sep	28-Aug
Geelong	2.10	2.10
West Coast	5.25 L	4.10
Port Adelaide	5.25 S	8.00
Sydney	11.00 S	18.00
Kangaroos	14.00 S	18.00
Adelaide	15.00 S	23.00
Collingwood	21.00 L	14.00
Hawthorn	23.00 L	11.00

S Odds have shortened  
L Odds have lengthened

Adelaide seem remarkably short-priced when you consider that they finished 8<sup>th</sup> with a 6-5 record for the second half of the season (though they have won their last 3 games).

Their popularity is also evident in the GF Quinella market, which sees them at \$8 to figure in a GF alongside the Cats.

### GF Quinella Prices : 4<sup>th</sup> September 2007

	Geelong	Port Adelaide	West Coast	Kangaroos	Hawthorn	Collingwood	Sydney	Adelaide
Geelong		\$3.50	\$3.80	\$10.00	\$13.00	\$21.00	\$13.00	\$8.00
Port Adelaide	\$3.50		\$9.00	\$30.00	\$40.00	\$40.00	\$21.00	\$28.00
West Coast	\$3.80	\$9.00		\$33.00	\$45.00	\$45.00	\$17.00	\$26.00
Kangaroos	\$10.00	\$30.00	\$33.00		\$150.00	\$150.00	\$75.00	\$105.00
Hawthorn	\$13.00	\$40.00	\$45.00	\$150.00		\$200.00	\$105.00	
Collingwood	\$21.00	\$40.00	\$45.00	\$150.00	\$200.00			\$140.00
Sydney	\$13.00	\$21.00	\$17.00	\$75.00	\$105.00			\$41.00
Adelaide	\$8.00	\$28.00	\$26.00	\$105.00		\$140.00	\$41.00	

The shortest-priced GF matchup is, as you'd expect, 1<sup>st</sup> v 2<sup>nd</sup>: Geelong v Port Adelaide at \$2.50. Next shortest-priced is 1<sup>st</sup> v 3<sup>rd</sup>: Port Adelaide v West Coast at \$3.80.

The longest-priced GF quinella is 5<sup>th</sup> v 6<sup>th</sup> (Hawthorn v Collingwood) priced at \$200.

Surprisingly, 7<sup>th</sup> v 8<sup>th</sup> - Sydney v Adelaide - is only priced at \$41.

Our 'value' quinellas are now at these prices:

- Collingwood v Kangaroos \$150 (out from \$92)
- Hawthorn v Kangaroos \$150 (out from \$70) - \$255 when we first noted it
- West Coast v Kangaroos \$33 (out from \$28) - \$46 when we first noted it
- Collingwood v Hawthorn \$200 (out from \$50)
- Geelong v Kangaroos \$10 (in from \$12) - \$44 when we first noted it

\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

"There are seven winners of the Monaco Grand Prix on the starting line today, and four of them are Michael Schumacher"

Murray Walker

Tony

6 September 2007

# Appendix

## Tipping Model Strategies

Strategy Name	Basis for Tips
Chi Tipping Model (CTM)	Complex statistical model incorporating a range of factors.
Quila Tipping Model (QTM)	Uses an approach similar to that used for the CTM.
Bookies Know Best (BKB)	For each game, tips the TAB Sportsbet favourite. In the case of equal favourites, it tips the true home team or, if there's no true home team, tips the team with the higher ladder position (ties are broken using percentage then for-and-against margin).
Consult The Ladder (CTL)	Tips the team with the higher ladder position (ties are broken using percentage then for-and-against margin). For the first round of the season, use the ladder position at the end of the previous regular season.
Momentum Matters (MMx)	A series of strategies that involve building competition ladders based only on the results of the most recent x rounds of regular season games (drawing on games from the previous season if required).  The MM2 strategy considers only the last 2 regular season rounds, the MM4 strategy only the last 4 rounds, and so on. Once a ladder has been built for a strategy, the selected team is that with the superior ladder position (as per CTL above).  This year we'll track the performance of MM2, MM4, MM6, MM8, MM11, MM16 and MM22.
No Independent Thought (NIT)	Tips the team that is most popular amongst all other strategies.

**Notional**

### Initial Funds

For reasons that are somewhat technical (I'm happy to provide details to anyone who's interested but, broadly, it allows me to describe bets in terms of a common percentage for all Investors and still maintain the same share price for all Investors), I need to calculate what I call "Notional Initial Funds". It's calculated separately for each Fund.

For original Investors, the definition is straightforward:

Notional Initial Funds = Actual Funds Invested

For Investors who join the Fund post Round 1:

Notional Initial Funds = Actual Funds Invested / Share Price at the time of investing

(in other words, it's the notional amount that would need to have been invested at the start of the season in order to have returned an amount equal to the amount actually invested).

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