



MAFL Funds : Season 2007

Where Statistics Meets Leather and Grass

9 April 2007

Season 2007, Number 2.1

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- Monkey Update
- Update on the Sportsbet Markets

I Guess That's Why They Call Them The Blues


Brisbane
 v

St Kilda
 Gabba
 5th April, 7:40pm

Head-to-Head
Bri \$2.45 / StK \$1.50

Line Betting
Brisbane +13.5pts

Heritage Fund Bet
Brisbane +5.32%

Alpha Fund Bet
-

Beta Fund Bet
-

Line Fund Bet
-

Brisbane 15.12 (102)
def
St Kilda 7.8 (50)

Line Betting
Brisbane by 65.5pts


Richmond
 v

Sydney
 MCG
 7th April, 7:10pm

Head-to-Head
Ric \$3.00 / Syd \$1.35

Line Betting
Richmond +18.5pts

Heritage Fund Bet
Richmond -6.71%

Alpha Fund Bet
-

Beta Fund Bet
-

Line Fund Bet
-

Sydney 13.10 (88)
def
Richmond 11.6 (72)

Line Betting
Richmond by 2.5pts


Carlton
 v

Geelong
 Telstra Dome
 7th April, 7:10pm

Head-to-Head
Car \$2.05 / Gee \$1.72

Line Betting
Carlton +5.5pts

Heritage Fund Bet
Carlton -3.79%

Alpha Fund Bet
-

Beta Fund Bet
-

Line Fund Bet
-

Geelong 24.18 (162)
def
Carlton 12.12 (84)

Line Betting
Geelong by 72.5pts


West Coast
 v

Collingwood
 Subiaco
 7th April, 5:40pm

Head-to-Head
WC \$1.12 / Col \$5.50

Line Betting
West Coast -35.5pts

Heritage Fund Bet
-

Alpha Fund Bet
-

Beta Fund Bet
-

Line Fund Bet
-

West Coast 12.15 (87)
def
Collingwood 11.9 (75)

Line Betting
Collingwood by 23.5pts


Port Adelaide
 v

Kangaroos
 Football Park
 8th April, 12:40pm

Head-to-Head
PA \$1.15 / Kan \$4.90

Line Betting
Port Adelaide -30.5pts

Heritage Fund Bet
-

Alpha Fund Bet
-

Beta Fund Bet
-

Line Fund Bet
-

Port Adel 17.20 (122)
def
Kangaroos 15.14 (104)

Line Betting
Kangaroos by 12.5pts


Essendon
 v

Fremantle
 Telstra Dome
 8th April, 2:10pm

Head-to-Head
Ess \$2.00 / Fre \$1.75

Line Betting
Essendon +6.5

Heritage Fund Bet
-

Alpha Fund Bet
-

Beta Fund Bet
-

Line Fund Bet
-

Essendon 19.8 (122)
def
Fremantle 17.10 (112)

Line Betting
Essendon by 16.5pts


Bulldogs
 v

Adelaide
 MCG
 8th April, 5:10pm

Head-to-Head
WB \$1.40 / Ade \$2.80

Line Betting
W Bulldogs -15.5pts

Heritage Fund Bet
Adelaide +17.55%

Alpha Fund Bet
-

Beta Fund Bet
-

Line Fund Bet
-

Adelaide 16.14 (110)
def
W Bulldogs 11.6 (72)

Line Betting
Adelaide by 53.5pts


Hawthorn
 v

Melbourne
 MCG
 9th April, 2:10pm

Head-to-Head
Haw \$2.35 / Mel \$1.55

Line Betting
Hawthorn +10.5pts

Heritage Fund Bet
Hawthorn +7.52%

Alpha Fund Bet
-

Beta Fund Bet
-

Line Fund Bet
-

Hawthorn 17.14 (116)
def
Melbourne 14.10 (94)

Line Betting
Hawthorn by 32.5pts

- **Favourites fare poorly this weekend**

- **Average victory margin is just over 5 goals**

- **Essendon/Freo and Hawthorn/Melbourne produce marathon 3rd quarters**

Money, It's a Gas ...

So much to write about this weekend, and so much easier to write it after a successful weekend's wagering.

Favourites fared relatively poorly again this week, with only half of them racking up victories. Coupled with last weekend's 4 from 8 effort, this means that favourites have won only 50% of games so far this season. To put this in context, during the 22 regular season rounds of 2006, favourites won on average 5.3 games per round, and won 4 or fewer games in an entire round only 5 times. Lest you think this is merely a routine, early-season phenomenon, last year, after 2 rounds, favourites were 11 and 5.

Though half of the winners were unexpected (for the bookies, anyway), the patterns of their victory were not. In contrast with last weekend, 7 of the 8 teams that led at half-time this weekend went on to win, Collingwood being the only exception, having led by 4 points at the half only to kick 3.5 in the second half and lose by 2 straight goals to a mercifully, similarly inaccurate West Coast, who kicked 5.9.

The average margin of victory for the weekend was just over 5 goals, some 2 goals more than last weekend's average margin, and bolstered considerably by the Cats' 78-point mauling of the Blues (Chi's Game of the Round, no less) and the Lions' 52-point Investor-warming triumph over the Saints.

Continuing on a statistical bent for just a moment longer, this weekend produced two matches with 13-goal quarters. Essendon and Freo kicked a combined 13.4 in the third quarter of their game on Sunday afternoon, only to be matched by Hawthorn and Melbourne kicking 13.4 in the third quarter of their game just 24 hours later. Last year there were only 8 quarters where 13 or more goals were kicked by the two opposing teams combined.

Goals in a Quarter (Both Teams)

Regular Season 2006
Goals Scored in each Quarter (both teams)

Goals	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total	%
0	1	0	0	0	1	0.1%
1	0	2	1	2	5	0.7%
2	4	5	2	3	14	2.0%
3	12	9	9	13	43	6.1%
4	12	19	18	16	65	9.2%
5	25	29	23	25	102	14.5%
6	28	27	20	29	104	14.8%
7	27	25	26	28	106	15.1%
8	24	19	29	25	97	13.8%
9	21	24	20	11	76	10.8%
10	9	8	13	18	48	6.8%
11	12	3	6	4	25	3.6%
12	1	2	6	1	10	1.4%
13	0	4	2	1	7	1.0%
14	0	0	0	0	0	0.0%
15	0	0	0	0	0	0.0%
16	0	0	1	0	1	0.1%

Average 6.8 6.6 7.1 6.6 6.7

(The 16-goal quarter came in West Coast's 26.17 (173) to 12.13 (85) victory over Richmond in Round 22. In the third quarter of that game, West Coast kicked 11.1 to Richmond's 5.2.

The no-goal first quarter came in Round 3 where Port Adelaide's 0.5 was trumped by Fremantle's 0.6. The teams' accuracy improved somewhat over the remainder of the game, with Fremantle eventually prevailing 15.20 (110) to Port's 11.13 (79)).

- **5 Bets, 3 winners, 67% ROI and a 19.9c Heritage Fund share price increase.**

All of which is possibly interesting but largely tangential to Heritage Fund Investors. Here's the important news for Investors:

Round 2 Heritage Fund Results

Team	Bet	Price	Net Return
Brisbane	3.67%	\$2.45	5.3%
Richmond	6.71%	\$3.00	(6.7%)
Carlton	3.79%	\$2.05	(3.8%)
Adelaide	9.75%	\$2.80	17.6%
Hawthorn	5.57%	\$2.35	7.5%
Total	29.49%		19.9%

ROI 67.4%

(My apologies by the way, as we actually had 6.71% on Richmond, not 6.87% as I indicated in the Newsletter on Wednesday. Fortunately, in hindsight, Richmond lost, otherwise I'd have been up for the difference.)

Being as objective as I'm capable of being about MAFL, the only bad bet amongst that lot is the smallest one. Carlton were, simply, awful and looked likely to lose by more than 100 points before some late consolation goals added lipstick to the pig. I'm reminded once more of the irrelevance of pre-season form.

Richmond - the only other losing bet - though they trailed at every change, led Sydney early in the fourth and unquestionably represented value at \$3.00.

Of our other bets, Brisbane and Adelaide won handily, and Hawthorn, despite some wobbling in the final term, steadied and hung on to win a game they deserved to win.

So, a sensational start to the wagering season sees the Heritage Fund register a 19.9c share-price increment, the second-highest single round increase in Heritage Fund history.

(First-time MAFL investors please note: it will not, repeat not, always be like this. Enjoy it now. You have been warned.)

Since investors have varying proportions of their total investments allocated to the each of the four MAFL Funds, the 19.9% increase in the Heritage Fund represents a different total portfolio return for each investor. The following table sets down the portfolio returns for an Investor, depending on which of the five different portfolio weightings he or she has:

Investor Returns

Overall Fund Performance

	Heritage	Alpha	Beta	Line
Fund Return	+19.90%	+0.00%	+0.00%	+0.00%

Strategy	Heritage	Alpha	Beta	Line	Overall Return
(Percentage in each Fund)					
A*	20%	35%	35%	10%	+3.98%
B	25%	25%	25%	25%	+4.98%
C	30%	30%	30%	10%	+5.97%
D	0%	0%	0%	100%	+0.00%
E	20%	30%	30%	20%	+3.98%

* Recommended portfolio weightings

- **Most Investors are at least 4% richer**

- Hindsight's a wonderful thing

- Chi and Quila strike form, especially on Line Betting

- MM16 continues to lead

So, for example, if you're an Investor and you plumped for the recommended portfolio weightings, your investment has grown by 3.98%. And, the one savvy investor who decided to go overweight in Heritage is now 5.97% richer than he or she was at the start of the weekend. (Almost enough to retire on ...).

(There's still another weekend to go before the Alpha and Beta Funds start trading for real. This weekend, you'll recall, they'd not have bet even had they been able to, leaving the Alpha Fund notionally ahead by 4.30% and the Beta Fund ahead by 5.30%. The Line Fund, had it been trading this weekend, would have bagged three from three, moving it to a positive 4.67% return for the season to date. So much for prohibiting these Funds from trading until they were 'ready'.)

Chi & Quila Beat Sportsbet Too

Chi and Quila bagged 5 correct tips each this weekend, beating Sportsbet by one and kicking Chi one clear of Sportsbet overall. In terms of Line Betting, Chi and Quila each returned an impressive 7 out of 8, missing out on a perfect round because of their misplaced faith in pre-season darlings, the Blues, for whom 5½ points start proved to be woefully inadequate. Chi now has 10 from 16 on Line Betting and Quila has 9.

Tips from all the Tipping Models (see Appendix for each Model's strategy)

Tipping									
	Bri v StK	Ric v Syd	Car v Gee	WC v Col	PA v Kan	Ess v Fre	WB v Ade	Haw v Mel	
CTM	St K by 10	Syd by 14	Car by 2	WC by 8	PA by 10	Ess by 3	WB by 6	Haw by 4	
QTM	St K by 2	Syd by 3	Car by 14	WC by 9	PA by 6	Ess by 13	WB by 7	Haw by 15	
BKB	St K by 13.5	Syd by 18.5	Gee by 5.5	WC by 35.5	PA by 30.5	Fre by 6.5	WB by 15.5	Mel by 10.5	
CTL	Brisbane	Sydney	Carlton	Collingwood	Port Adel	Essendon	W Bulldogs	Melbourne	
MM2	St Kilda	Sydney	Carlton	West Coast	Port Adel	Fremantle	W Bulldogs	Hawthorn	
MM4	St Kilda	Sydney	Geelong	Collingwood	Port Adel	Fremantle	W Bulldogs	Hawthorn	
MM6	St Kilda	Sydney	Geelong	West Coast	Port Adel	Fremantle	W Bulldogs	Hawthorn	
MM8	St Kilda	Sydney	Geelong	West Coast	Port Adel	Fremantle	W Bulldogs	Hawthorn	
MM11	St Kilda	Sydney	Geelong	West Coast	Kangaroos	Fremantle	Adelaide	Melbourne	
MM16	St Kilda	Sydney	Geelong	West Coast	Port Adel	Fremantle	Adelaide	Melbourne	
MM22	St Kilda	Sydney	Geelong	West Coast	Port Adel	Fremantle	Adelaide	Melbourne	
NIT	St Kilda (10-1)	Sydney (11-0)	Geelong (7-4)	West Coast (9-2)	Port Adel (10-1)	Fremantle (8-3)	W Bulldogs (8-3)	Hawthorn (8-5)	

Line Betting								
Chi	Brisbane	Richmond	Carlton	Collingwood	Kangaroos	Essendon	Adelaide	Hawthorn
Quila	Brisbane	Richmond	Carlton	Collingwood	Kangaroos	Essendon	Adelaide	Hawthorn

Strategies MM6, MM8, MM16, MM22 and NIT also bagged 5 correct tips this weekend, with all of them missing the Brisbane Lions and Essendon wins, and all of them correctly tipping the Sydney win over Richmond.

That leaves the overall tipping performance table as shown.

Cumulative Tipping Performance

	Cum	Av Pred Err
MM16	10	-
CTM	9	27.3
MM6	9	-
MM22	9	-
QTM	8	28.8
BKB	8	31.3
CTL	8	-
NIT	8	-
MM2	7	-
MM4	7	-
MM8	7	-
MM11	6	-

So, MM16 continues to lead the pack, but Chi is but a mere tip away. Chi's and Quila's Average Prediction Errors (APE) are both sub-30, which is a pleasing result in itself, but even more pleasing given that Sportsbet's APE is above 31.

- **No change on the primate v canine debate. News as it comes to hand.**

Monkey Update

At this point Chi is still tipping no better than the M5 measure. In other words, the probability is greater than 5% that a single monkey, tipping at random, would have tipped 9 from 16 or better. So, still no proof that dogs are better tipsters than monkeys. (Slowly move the wheels of science).

Update on TAB Sportsbet Prices

There's been quite a bit of movement in the Sportsbet Final 8 and Flag markets as a result of this weekend's footy. West Coast have shortened as Flag favourites into \$4.40 and Brisbane's defeat of St Kilda has seen their Flag price halved. At the other end of the scale, Richmond's, Melbourne's and Carlton's losses have seen their respective Flag prices double or nearly double. In Melbourne's case, their implied probability of winning the Flag has shrunk from 6.7% to about 3.2%.

Also, there are now 9 teams that are priced as being more likely than not to make the Final 8, and another, Essendon, at even money. Hmmm, 10 into 8 doesn't go, does it? Gotta love those bookies.

TAB Sportsbet Prices : 9th April 2007

	Bookmaker's Prices (9th April)		Bookmaker's Prices (1st April)	
	Final 8	Flag	Final 8	Flag
West Coast	1.07 S	4.40 S	1.10	6.00
Adelaide	1.40 L	9.00 L	1.15	8.00
Fremantle	1.20 L	8.50 L	1.18	6.50
Sydney	1.25 L	6.50	1.20	6.50
St Kilda	1.16 S	8.50 L	1.18	8.00
Western Bulldogs	1.25 S	9.00 S	1.38	10.00
Geelong	1.95 L	11.00 L	1.70	10.00
Melbourne	1.90 L	31.00 L	1.75	15.00
Port Adelaide	1.55 S	11.00 S	2.00	21.00
Collingwood	2.60 L	31.00 L	2.50	26.00
Essendon	2.00 S	15.00 S	2.50	31.00
Hawthorn	3.60 L	41.00 S	2.85	51.00
Richmond	6.00 L	126.00 L	3.15	61.00
Carlton	2.60 S	71.00 L	3.15	41.00
Brisbane	2.15 S	23.00 S	3.75	51.00
Kangaroos	8.00 L	201.00 L	5.50	126.00

S Odds have shortened

L Odds have lengthened

- **West Coast firm as favourites**

- **Roos favoured to add to cutlery collection**

In other markets, Carlton is now on the third line of wooden spoon betting, equal with Hawthorn at \$8. The Roos are \$2.50 favourites and the Tigers are second favourites at \$3.15.

The most favoured Grand Final matchup is, once again, Sydney v West Coast at \$10, with Fremantle v West Coast and St Kilda v West Coast matchups equal second favourites at \$12.

'Til Thursday then.

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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)	<p>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).</p> <p>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).</p> <p>This year we'll track the performance of MM2, MM4, MM6, MM8, MM11, MM16 and MM22.</p>
No Independent Thought (NIT)	Tips the team that is most popular amongst all other strategies.

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