



MAFL Funds : Season 2007

Where Statistics Meets Leather and Grass

19 April 2007

Season 2007, Number 4

In this newsletter:

- Round 4 Game Details and Wagers (this week the Alpha and Bet Funds go live)
- Round 4 Tips
- Update on Sportsbet Markets

Carlton at \$5.15. Sorry, Didn't They Win Last Weekend?

<p> Richmond v Bulldogs MCG 20th April, 7:40pm</p> <p>Head-to-Head Ric \$2.60 / Bul \$1.46</p> <p>Line Betting Richmond +13.5 pts</p> <p>Heritage Fund Bet 6.76% on Richmond</p> <p>Alpha Fund Bet -</p> <p>Beta Fund Bet -</p> <p>Line Fund Bet -</p> <p> Chi's Tip Bulldogs by 2</p> <p> Quila's Tip Richmond by 4</p>	<p> St Kilda v Essendon Telstra Dome 21st April, 2:10pm</p> <p>Head-to-Head StK \$1.62 / Ess \$2.20</p> <p>Line Betting St Kilda -7.5 pts</p> <p>Heritage Fund Bet -</p> <p>Alpha Fund Bet -</p> <p>Beta Fund Bet -</p> <p>Line Fund Bet -</p> <p> Chi's Tip St Kilda by 13</p> <p> Quila's Tip St Kilda by 4</p>	<p> Collingwood v Port Adelaide MCG 21st April, 2:10pm</p> <p>Head-to-Head Col \$1.88 / PA \$1.85</p> <p>Line Betting Collingwood +6.5</p> <p>Heritage Fund Bet -</p> <p>Alpha Fund Bet -</p> <p>Beta Fund Bet 2.91% on Collingwood</p> <p>Line Fund Bet -</p> <p> Chi's Tip Collingwood by 7</p> <p> Quila's Tip Collingwood by 2</p>	<p> Kangaroos v Brisbane Lions Gold Coast Stadium 21st April, 7:10pm</p> <p>Head-to-Head Kan \$3.30 / Bri \$1.30</p> <p>Line Betting Kangaroos +19.5 pts</p> <p>Heritage Fund Bet -</p> <p>Alpha Fund Bet -</p> <p>Beta Fund Bet -</p> <p>Line Fund Bet -</p> <p> Chi's Tip Brisbane Lions by 4</p> <p> Quila's Tip Brisbane Lions by 7</p>
<p> Adelaide v Sydney Football Park 21st April, 7:10pm</p> <p>Head-to-Head Ade \$1.65 / Syd \$2.15</p> <p>Line Betting Adelaide -5.5pts</p> <p>Heritage Fund Bet -</p> <p>Alpha Fund Bet -</p> <p>Beta Fund Bet -</p> <p>Line Fund Bet -</p> <p> Chi's Tip Adelaide by 4</p> <p> Quila's Tip Sydney by 7</p>	<p> Hawthorn v Geelong Aurora Stadium 22nd April, 1:10pm</p> <p>Head-to-Head Haw \$2.45 / Gee \$1.51</p> <p>Line Betting Hawthorn +9.5pts</p> <p>Heritage Fund Bet -</p> <p>Alpha Fund Bet -</p> <p>Beta Fund Bet -</p> <p>Line Fund Bet -</p> <p> Chi's Tip Geelong by 3</p> <p> Quila's Tip Geelong by 9</p>	<p> Melbourne v Fremantle MCG 22nd April, 2:10pm</p> <p>Head-to-Head Mel \$2.70 / Fre \$1.43</p> <p>Line Betting Melbourne +15.5pts</p> <p>Heritage Fund Bet 6.98% on Melbourne</p> <p>Alpha Fund Bet -</p> <p>Beta Fund Bet 4.12% on Melbourne</p> <p>Line Fund Bet -</p> <p> Chi's Tip Fremantle by 1</p> <p> Quila's Tip Fremantle by 5</p>	<p> West Coast v Carlton Subiaco 22nd April, 2:40pm</p> <p>Head-to-Head WC \$1.14 / Car \$5.15</p> <p>Line Betting West Coast -29.5pts</p> <p>Heritage Fund Bet -</p> <p>Alpha Fund Bet -</p> <p>Beta Fund Bet -</p> <p>Line Fund Bet -</p> <p> Chi's Tip West Coast by 16</p> <p> Quila's Tip West Coast by 8</p>

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Alpha and Beta Go Live

From this weekend onward the Alpha and Beta Funds are free to start trading, so you should expect to see bets on teams somewhat less likely to be blown off the park in the first quarter (but, as usual, no promises). The Beta Fund Model has embraced its new-found freedom with a distinctly un-Heritage like wager on a team whose price begins win a '1': Collingwood at \$1.88 facing Port Adelaide at the G. The Alpha Fund, however, has decided to spectate for another week.

In total this weekend we've 4 bets on 3 teams spread across 2 Funds:

Heritage Fund Bets

- 6.76% on Richmond (over the Bulldogs) at \$2.60
- 6.98% on Melbourne (over Fremantle) at \$2.70

Beta Fund Bets

- 2.91% on Collingwood (over Port Adelaide) at \$1.88
- 4.12% on Melbourne (over Fremantle) at \$2.70

So, in total, 13.74% of Heritage Funds and 7.03% of Beta Funds are at risk this weekend.

Given that my deeply insightful and remarkably precognitive comments about the Dees' chances last weekend still echo in my ears, I'll refrain from editorialising on the Models' wagers this week.

Clearly, a Melbourne victory will be essential if this is to be a meaningfully lucrative weekend - just how essential is demonstrated in this weekend's ready reckoner.

Investors' Ready Reckoner

Richmond v Bulldogs		Melbourne v Fremantle		Collingwood v Port Adel	Total Heritage Return	Total Alpha Return	Total Beta Return	Total Line Return	Total Return Strategy A	Total Return Strategy B	Total Return Strategy C	Total Return Strategy D	Total Return Strategy E
Heritage	Heritage	Beta	Beta	Beta									
6.76% on Rich	6.98% on Melb	4.12% on Melb	2.91% on Collingw'd										
Richmond	Melbourne	Melbourne	Collingwood	22.7%	0.0%	3.6%	0.0%	7.3%	8.1%	3.7%	0.0%	7.4%	
Richmond	Melbourne	Melbourne	Port Adel	22.7%	0.0%	4.1%	0.0%	6.0%	6.7%	8.0%	0.0%	5.8%	
Richmond	Geelong	Geelong	Collingwood	3.8%	0.0%	(1.6%)	0.0%	0.2%	0.6%	0.7%	0.0%	0.3%	
Richmond	Geelong	Geelong	Port Adel	3.8%	0.0%	(7.0%)	0.0%	(1.7%)	(0.8%)	(1.0%)	0.0%	(1.3%)	
Bulldogs	Melbourne	Melbourne	Collingwood	5.1%	0.0%	9.6%	0.0%	4.4%	3.7%	4.4%	0.0%	3.9%	
Bulldogs	Melbourne	Melbourne	Port Adel	5.1%	0.0%	4.1%	0.0%	2.5%	2.3%	2.8%	0.0%	2.2%	
Bulldogs	Geelong	Geelong	Collingwood	(13.7%)	0.0%	(1.6%)	0.0%	(3.3%)	(3.8%)	(4.6%)	0.0%	(3.2%)	
Bulldogs	Geelong	Geelong	Port Adel	(13.7%)	0.0%	(7.0%)	0.0%	(5.2%)	(5.2%)	(6.2%)	0.0%	(4.9%)	

This weekend's reckoner is a little more complicated than those that I've produced for previous weeks, as it now covers the possible returns for both the Heritage and the Beta Funds, as well as what the combined performance of these two funds will mean for investors with differing portfolio weightings.

So, if we look, for example, at the third row of the body of the table, we see that, if Richmond and Collingwood win and Melbourne loses, the Heritage Fund leaps 3.8c but the Beta Fund drops 1.6c. For those who have the recommended portfolio weightings (aka Strategy A), this would mean a weighted net gain for them across their entire initial investment of 0.2%. The return for investors with other portfolio weightings will be as shown in the remainder of the row of data.

For all investors except those with Strategy D (which means they are fully invested in the Line Fund, bless 'em), profitability requires that either Melbourne win or that Richmond and Collingwood win.

Next weekend the Line Fund will commence trading and I expect that, thereafter, we'll have an interest in at least half the games every weekend. Had the Line Fund been off-leash this weekend it would have had 6 bets, meaning that 46.7% of the entire Fund would have been at risk (albeit all on near even-money bets). These bets would have been Richmond (+13.5 against the Bulldogs), Essendon (+7.5 against St Kilda), Collingwood (+6.5 against Port Adelaide), Sydney (+5.5 against Adelaide), Melbourne (+15.5 against Fremantle), and Carlton (+29.5 against West Coast).

- 4 Bets this weekend, with about 13¾% of the Heritage Fund and 7% of the Beta Fund at risk.

- Another Dee-dependent weekend (or, failing that, we need Tigers & Pies, which sounds a bit like a day at the zoo)

- The Line Fund clears its throat ...

Chi Plays Favourites

It's rare for Chi and Quila to change their minds once they've locked onto a team for the upcoming week (actually, the jury's still out on whether Chi actually has a mind, but that's a discussion for another time). This week, though, saw Chi, having repeatedly and at impressive length slept on the problem, changing two of his tips, shifting away from Richmond and Melbourne onto their respective opponents and favourites, the Bulldogs and Fremantle.

That leaves Chi now tipping all eight favourites and differing by two from Quila (who's selected two underdogs in Richmond and Sydney) and by two from the current leading tipster, MM16 (who's also tipped two underdogs in Sydney and Hawthorn).

Yet again the dogs are tipping close games this weekend, with their largest tipped margin being just 16 points and their combined average just 6 points. Sportsbet predicts slightly wider margins for most games, but nonetheless predicts an average victory margin of just under 13½ points, a little more than for Rounds 1 and 3 (when their average was a mite over 11 points), and much less than their Round 2 average of 17 points.

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

Tipping									
	Ric v WB	StK v Ess	Col v PA	Kan v Bri	Ade v Syd	Haw v Gee	Mel v Fre	WC v Car	
CTM	WB by 2	StK by 13	Col by 7	Bri by 4	Ade by 4	Gee by 3	Fre by 1	WC by 16	
QTM	Ric by 4	StK by 4	Col by 2	Bri by 7	Syd by 7	Gee by 9	Fre by 5	WC by 8	
BKB	Bul by 13.5	StK by 7.5	Col by 6.5	Bri by 19.5	Ade by 5.5	Gee by 9.5	Fre by 15.5	WC by 29.5	
CTL	Bulldogs	St Kilda	Collingwood	Brisbane	Adelaide	Geelong	Fremantle	West Coast	
MM2	Bulldogs	St Kilda	Collingwood	Brisbane	Adelaide	Geelong	Melbourne	West Coast	
MM4	Bulldogs	St Kilda	Collingwood	Kangaroos	Adelaide	Geelong	Fremantle	West Coast	
MM6	Bulldogs	St Kilda	Collingwood	Brisbane	Sydney	Geelong	Fremantle	West Coast	
MM8	Bulldogs	St Kilda	Collingwood	Brisbane	Sydney	Hawthorn	Fremantle	West Coast	
MM11	Bulldogs	St Kilda	Collingwood	Brisbane	Sydney	Hawthorn	Fremantle	West Coast	
MM16	Bulldogs	St Kilda	Collingwood	Brisbane	Sydney	Hawthorn	Fremantle	West Coast	
MM22	Richmond	Essendon	Collingwood	Brisbane	Adelaide	Geelong	Fremantle	West Coast	
NIT	Bulldogs (9-2)	St Kilda (10-1)	Collingwood (11-0)	Brisbane (10-1)	Sydney (6-5)	Geelong (8-3)	Fremantle (10-1)	West Coast (11-0)	

Line Betting									
Chi	Richmond	St Kilda	Collingwood	Kangaroos	Sydney	Hawthorn	Melbourne	Carlton	
Quila	Richmond	Essendon	Port Adelaide	Kangaroos	Sydney	Hawthorn	Melbourne	Carlton	

Despite the predicted closeness of the games, there's remarkable agreement in the final tips, with this week's Tipster's Agreement Index (TAI) registering a season-high 84.3%, dragged down mainly by disagreement about the Sydney v Adelaide and Hawthorn v Geelong games.

(As a point of clarification, the TAI as I described it last week should more properly have been defined as "The probability of two tipsters selected at random *and without replacement* having the same tips for a game also selected at random". If we allow the same tipster to be selected twice this would, obviously, tend to drive up the measured TAI. It does though produce a much simpler formula for the TAI for a game, viz $2f^2 - 2f + 1$ where f is the fraction of tipsters tipping one of the teams).

Here's a reminder of the current cumulative tipping performance of each strategy:

Cumulative Tipping Performance

	Cum	Av Pred Err
MM16	16	-
MM6	15	-
NIT	15	-
CTM	14	27.5
BKB	14	28.9
QTM	13	28.3
MM2	13	-
MM4	13	-
MM8	13	-
MM22	13	-
CTL	12	-
MM11	12	-

- Chi tips all the favourites, Quila tips underdog Richmond and Sydney. MM16 tips Sydney and Hawthorn.

- The Sportsbet bookie has a major rethink about all the teams

Update on TAB Sportsbet Prices

There have been major movements on the Sportsbet Markets over the past nine days, providing interesting insights into the Sportsbet bookie's assessment of recent team performances.

Firstly, six of last weekend's winning teams saw their price to make the final 8 shorten and seven saw their price to win the flag shorten. Broadly that seems reasonable, but let's take a look at a couple of team-by-team examples:

- St Kilda's odds to make the final 8 have lengthened, but their odds to win the flag have shortened. That's a head-scratcher.
- Essendon and Brisbane have seen their odds to make the final 8 shorten, but their prices to win the flag lengthen. Correcting for the (large) overround in the final 8 market, Essendon has moved from about a 5.6% chance to win the flag to about a 3.6% chance. Ouch. It seems that the Dons' capitulation to the Blues last weekend has given the Sportsbet bookie cause for serious concern about their 'big match' credentials (but, simultaneously, made him feel better about their final 8 chances ...)

TAB Sportsbet Prices : 18th April 2007

	Bookmaker's Prices (18th April)		Bookmaker's Prices (9th April)	
	Final 8	Flag	Final 8	Flag
West Coast	1.03 S	4.00 S	1.07	4.40
Sydney	1.13 S	6.50	1.25	6.50
Adelaide	1.13 S	7.50 S	1.40	9.00
St Kilda	1.22 L	7.00 S	1.16	8.50
Geelong	1.22 S	9.00 S	1.95	11.00
Fremantle	1.45 L	13.00 L	1.20	8.50
Western Bulldogs	1.50 L	14.00 L	1.25	9.00
Port Adelaide	1.70 L	21.00 L	1.55	11.00
Essendon	1.90 S	23.00 L	2.00	15.00
Brisbane	2.00 S	31.00 L	2.15	23.00
Collingwood	2.40 S	23.00 S	2.60	31.00
Carlton	2.60	31.00 S	2.60	71.00
Hawthorn	2.70 S	31.00 S	3.60	41.00
Melbourne	4.25 L	51.00 L	1.90	31.00
Richmond	13.00 L	151.00 L	6.00	126.00
Kangaroos	15.00 L	251.00 L	8.00	201.00

S Odds have shortened
L Odds have lengthened

Looking at the size of some of the price changes - and again adjusting for overrounds - the most dramatic movements in the implied probabilities of making the final 8 have been:

- Adelaide's climb from 64% to 80%
- Geelong's leap from 46% to 74%
- Fremantle's decline from 75% to 62%
- Western Bulldogs' slide from 72% to 60%
- Melbourne's collapse from 47% to 21%

These movements are broadly reflected in the changes in the Flag market, as you'd expect.

In other markets, Carlton have moved themselves to the unfamiliar surrounds of the fourth line of wooden spoon betting, where they're now at a juicy \$14, behind the Roos, who are favourites, at \$2.25, Richmond who are at \$2.40, and Melbourne at \$5.50.

The GF quinella market shows Sydney v West Coast on the top line at \$7.50, followed by Adelaide v West Coast at \$11, Geelong v West Coast at \$13, then Adelaide v Sydney, St Kilda v Sydney and St Kilda v West Coast all at \$15.

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- The bookies think Carlton are set to pull a Mother Hubbard re the Spoon Cupboard

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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