

Picking The Winners

No, don't worry. We haven't abandoned TRH's investment beliefs and decided to look after your investments by trying to pick the next high performing equity or fund manager. We still believe that doesn't work. This article is about speculation, or to put it more simply, having a bet.

For tomorrow is the biggest betting day in the UK when millions will be wagered on the Grand National. Some clients know the interest my wife Jane and I have in horse racing and over the years we believe that if you follow a few simple steps you can stack the odds more in your favour. So if you are going to have a bet tomorrow (we wouldn't want to encourage bad habits) try these tips to improve your odds of winning.

The first two are simple maths:

1. Bet 'each-way' when the odds on your horse are greater than 6/1. An each way bet is two bets. One to win and one if the horse is placed. So £10 e/w costs you £20. If your horse wins your £10 win bet pays out at 6/1. If your horse places (in most races in the first 3 – but see the next tip below) your £10 place bet pays out at $\frac{1}{4}$ of the odds i.e. 1.5/1. As the winning horse is also placed, you collect on both bets. You also get your stake back on a win bet. So a £10 e/w bet on a winning horse at 6/1 pays out - £10 x 6 + £10 (stake) + £10 x 1.5 + £10 (stake). A win of £95. But even if your horse is placed you still collected the second part of the sum i.e. £25. So you are in profit.

Each way betting becomes even more attractive at higher odds. Because of the large field, the Grand National offers more horses at attractive odds than any other horse race.

2. Bet with a bookie that pays out down to 5 places. Most high street bookies should pay down to 4 places, most internet bookies pay down to 5 places. These were the odds for the top 5 places in the last 2 Grand Nationals:

2008	7/1 – 20/1 – 16/1 – 10/1 – 12/1
2007	33/1 – 12/1 – 33/1 – 100/1 – 40/1

All of these great each-way bets. Look at the 5th place odds. 12/1 pays out £40 and 40/1 pays out £110 for a £10 each way bet.

The next tips are to do with past race trends and form.

3. Weight carried. The best placed horses generally carry 11 stone or less. Only two of the above placed horses were above this at 11 stone 1 and 11 stone 3.
4. Age matters. The optimal age for a Grand National horse is 8 or 9. There were just two 10 year olds and one 11 year old in the above 10 placed horses. This is not as realistic a guide however as a horse's weight and I have included a 10 year old in my selection.

5. The going. Some horses love slogging their way through the heavy ground. Saturday is forecast to be good going so it will favour the faster horses.
6. Trainers, jockeys and the Irish. This is just about the most difficult race to both prepare a horse for and to then pilot one successfully over the formidable fences and past other loose and falling horses. Experience really counts.

The Irish have had a great record in recent years and often confound predictions with little known horses at good odds. There are a couple of these in my selection.

Sad that I am, I have spent the last few evenings checking all 40 entries against the above criteria and my selection list is:

Butlers Cabin	10/1
State of Play	14/1
Big Fella Thanks	22/1
Irish Invader	25/1
Offshore Account	33/1
Mon Mome	66/1

I would hope that one or more of these would appear in the top 5. But remember past performance is no guarantee of future success and I am still working!

The next article will return to our usual investment topics but still on the same theme of improving the odds. We do believe at TRH that our investment methodology will provide our clients with a better chance of capturing market returns when the recovery comes. Best of luck tomorrow if you have a bet.

Gareth Marr
3rd April 2009

Post race report –

This was the best result I have ever had! Of the above tips Mone Mome won at 100/1 and State of Play was placed at 14/1. If £5 e/w was bet on all 6 selections a total bet of £60 would have paid out £735.50 a return of approximately 12.3/1. Some clients and their PA's were very happy.