



the **Alpha**  
SYSTEM

the Alpha  
System

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### Introduction

I'm sure, that for many people reading this manual, it wasn't just the sport of racing that interested them, it was the betting as well. Betting has always been an integral part of the racing scene, and that long battle between punters and bookmakers has raged for decades. Unfortunately, over the years, there's only been one winner – the bookie.

But why do they almost always win? How do bookmakers make a 'book', to ensure they make a profit? The bottom-line is, the bookmakers give you shorter odds than the 'true' odds, so they pay out less than they should when someone backs a winner.

Yes - it's all down to the numbers.

But, if that's the case, how do some people make a living from betting? And how do these professional bettors make their own value 'book', or betting 'tissue', to work out their bets? There's a lot of information online about how to do it, but there isn't a single simple way to make a book, that is accessible to the average punter – something that can be worked out in less than 10 minutes per race.

That's why I put together this manual. It will give you a simple way to take a set of ratings, and convert them to a basic value betting book.

### Bookies and the value bettor

As you probably know, to make a long-term profit from horse racing, or from any sport, you have to bet at value prices. In other words, odds that are larger than the 'true' odds. But how do you find them? Bookmakers tend to offer poor value bets, usually at the 'head' of the market, in order to make money from those

punters who like to bet on the favourite, or second favourite, at short odds.

These poor-value odds, and the resultant over-round, is the key to making money for the bookmaker. An ideal situation for the bookie would be, for him to have a large over-round book of 120%, or more, to take bets on all the runners, and to have equal liabilities on each one.

However, on race day, it isn't that easy for the bookmaker. If he has taken some very large bets on the favourite, he can then be faced with some big pay-outs if that favourite wins. He now has an 'unbalanced' book, which could cost him a lot of money.

To lessen his liability, the bookie now shortens the price on the heavily-backed favourite, he doesn't want any more money for the horse. He lengthens the prices on the other horses in the race to attract money for them. By lengthening their odds, and attracting money for these horses on his book, he 'balances' his book, and loses less money if the heavily backed favourite wins.

When the bookie's odds lengthen, this is where the value bettor steps in. As the bookmaker is 'forced' to increase the odds on a horse, or horses, the shrewd punter moves in and takes advantage of these new value odds.

Because of the way the odds in a horse race fluctuate before the 'off', there are many opportunities to back horses at value prices. This is the weakness in the bookie's defence that The Alpha System capitalises on.

Gambling on sport, and especially racing, is one of the few forms of betting where a difference of opinion can change the odds, which can then suit an alert bettor, looking to gain an advantage over the bookmaker and his fellow bettors.

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The punter has another important advantage over the bookie – he doesn't have to bet unless the odds are in his favour.

Bookmakers make their profits by taking money on the horses at the head of the market, especially the favourite. These horses are often at poor value odds, and when these short-priced horses are beaten, the bookmaker makes a profit.

Obviously, the favourite in the betting is where the majority of money is placed. It is also obvious, that the majority of people who indiscriminately back the favourites, cannot win. If they could, bookmakers would be out of business.

There is one certainty in gambling: If you join the crowds, and bet at this end of the market, you will surely lose.

The way to make money in gambling is to find a value bet, where the odds are *larger* than the chance of the horse winning. Value is one of the most important factors, if not *the* most important factor, in turning you from a losing gambler to a winning one.

## How Bookmakers Make Money

A bookmaker looks to make a profit by offering betting odds that are below the true odds of the event happening, whether that is the winner of a General Election, a Formula One race, or the winner of a horse race. The best way to explain this is to use the example of picking 'heads or tails' on a coin toss.

The correct percentage for either heads or tails landing face up is 50%, that is a 50/50 chance. Converted to odds, 50/50 becomes 'evens' each of two, heads or tails. In 'fractional' odds, this is written as 1-1.

If the bookies were to put a coin tossing simulation on the shop screens, assuming that the simulation would produce an accurate representation of normal outcomes, and then give the correct odds about heads or tails landing face up (1-1), you could expect the following to happen over the long term:-

If you chose heads to land face-up, for each series of 20 bets you had, 10 of these bets would win and ten would lose. This is a representation of the *average* likely outcomes over a large sample size, and does not take into account short-term fluctuations, such as 15 consecutive heads or tails.

Betting at level stakes of £5 on *heads*, over the same series of 20 bets, at the true odds of 1-1 means that neither you, nor the bookmaker, would have an advantage:

For example:

**Outlay:**

20 bets on 'heads' x £5 ..... = **£100**



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### Returns:

10 'heads' face up @ 1-1 = 10 x £10 (£5 stake + £5 winnings) = **£100**

As the above example shows, neither you or the bookmaker would make any money over the long term. Your outlay would be £100 (20 x £5 stakes), and your returns would be £100 (10 winning bets of £5 stake plus £5 win).

Running a bookmaking company is expensive, renting office space, staffing the dealing rooms, rent and rates for the high-street shops, paying the shop staff, etc., the bookies would soon go out of business if they gave you the correct odds on an event happening.

To make a profit, the bookie has to alter the odds so they are advantageous to him. Instead of offering you the correct odds of evens each of two (1-1), he now shortens the price to 4-5 heads and 4-5 tails. This means he will make a profit whatever the outcome.

This is what happens when you place a bet at these new odds:

### Outlay:

20 bets on 'heads' x £5 ..... = **£100**

### Returns:

10 'heads' face up @ 4-5 = 10 x £9 (£5 stake + £4 winnings) = **£90**

**Loss** ..... = **£10**

As you can see, for every winning bet on heads, you would now get back only £9 at odds of 4-5 as opposed to the £10 returns you previously got at 1-1. For every £100 you bet, you only get back £90. The bookmaker now makes £10 for every



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20 bets of £5 (total - £100) you place with him.

This is how a bookie makes a profit from offering shorter odds about an outcome than its true odds.

To make a profit, you would only bet on heads or tails if they were at odds longer than 1-1. If you could bet 'heads', or tails, at odds of 5-4, you would be guaranteed to make a profit. This is what would happen at odds of 5-4:

### Outlay:

20 bets on 'heads' x £5 ..... = **£100**

### Returns:

10 'heads' face up @ 5-4 = 10 x £11.25

(£5 stake + £6.25 winnings) ..... = **£112.50**

**Profit** ..... = **£12.50**

For every 20 £5 bets you struck at 5-4, you would make £12.50. You would be getting what is called an 'overlay', which is getting larger odds than the true odds of an event happening.

Obviously, the bookmaker would not give value odds of 5-4 on an easily recognisable, genuine evens chance, such as heads or tails of a coin landing face-up. But, because of the way the market can change in horse racing, due to the amount of money for certain horses at the head of the market, the bookmakers sometimes have to offer value bets in order to balance their books.





Let's look at one more example before we concentrate on horse racing .....

## The Dice Example









An example of a genuine 5-1 chance would be picking one of the six numbers to be face up on a single throw of a die. There are six possibilities when you throw a die: The number 1, 2, 3, 4, 5 or 6 landing face up.

The correct odds for one of these six numbers to land face up are **5-1** each of six (the six sides of the die). A bookmaker would offer you only **4-1** to give him an 'over-round' book. You, however, would look for value odds of **6-1** to give you an advantage, enabling you to make a profit over the long term.







Die No.	True odds	Percentage %
	5-1	16.67
	5-1	16.67
	5-1	16.67
	5-1	16.67
	5-1	16.67
	5-1	16.67
<b>Total =</b>		<hr style="width: 100px; margin: 0 auto;"/> 100.02%

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Die No.	Bookmaker's odds	%
	4-1	20
	4-1	20
	4-1	20
	4-1	20
	4-1	20
	4-1	20
<b>Total =</b>		<b>120%</b>

In the above example, the bookmaker would shorten the true odds of 5-1 (16.67%) to odds of 4-1 (20%) in order to make a profit. As you can see, the total percentage figure is now 120%, and is an 'over-round' book as anything over the 100% is over-round.

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Die No.	Value odds	%
	6-1	14.29
	6-1	14.29
	6-1	14.29
	6-1	14.29
	6-1	14.29
	6-1	14.29
	<b>Total =</b>	<b>85.74%</b>

The last example here is of value odds of 6-1, showing an 'over-broke' book of 85.74%; over-broke is when the total percentage figure under 100. With odds of 6-1 you could back every number on the die with level stakes, and still show a profit, whichever number landed face-up. For example, if you put £100 on No. 1, £100 on No. 2, £100 on No.3, etc. to land face-up, your total outlay would be £600 to cover all 6 eventualities.

Whichever number landed face-up, your returns would be £700 at 6-1, (your £600 winnings plus your stake of £100). This would give you a profit of £100, whatever the outcome.

Obviously, this example would never be replicated in horse racing, as the true odds about the numbers on a die landing face-up are fixed, and therefore more easily measured against the available odds on offer.

Betting on horse racing, as stated before, differs from fixed-odds betting, such as the example above, because of the dynamic nature of the betting market, due to the weight of money for certain 'fancied' horses, usually the first two or three in the betting.

## Horse Racing And The Over-round Book

### Calculating the 'over-round'

If you want to calculate the over-round on each race, you will have to convert the odds of each horse to its percentage equivalent, then add them together. Anything over 100% is an 'over-round' book, and anything under 100% is an 'over-broke' book.

Although you're looking for winners at value prices, value betting isn't just about picking the most likely winner of a race. The value horse could be the outsider, if it's available at larger odds than it's true odds. For example, let's take a five-horse race, with the 'true' odds and bookmaker's odds as follows:

	<b>True % chance</b>	<b>True odds</b>	<b>Bookmaker's odds</b>
<b>Horse 1</b>	40	6-4	5-4
<b>Horse 2</b>	20	4-1	7-2
<b>Horse 3</b>	15.4	11-2	5-1
<b>Horse 4</b>	14.3	6-1	11-2
<b>Horse 5</b>	11.1	8-1	<b>10-1*</b>
	<u>Total percentage</u>		<u>Total percentage</u>
	100.8		107.8

The prices above show, that there is only one horse that is a value bet under the 'Bookmaker's odds' column – horse 5.

In the example, if the bookmaker was to price-up a race to 100%, the odds would simply be a reflection of the true percentage chance, under the 'True odds' column, of each horse winning the race. But, to give themselves a profit, the

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bookies would shorten the odds. These shortened odds would be similar to those in the last column - 'Bookmaker's odds'.

In the above example, they're working to an 'overround' of 107.8%, which is calculated by converting the odds to percentages and adding them together. This is the 'Total percentage' figure in the example above (anything over 100% is an over-round book).

As you can see, the bookies have made a mistake with horse 5. They've priced it up at larger odds than it should be. Horse 5 is the outsider at 10-1, and although it's the least likely of the five to cross the line first, according to the market, it's the only horse in the field that's a value bet. This is because it has been priced at 10-1 by the bookmaker, relative to its true odds of 8-1.

By backing the horse at a larger price than its true chance of winning the race, you're getting an overlay, and will make a profit in the long term. But, the important thing to remember is, that will only happen if your calculations of true odds are correct, or relatively correct, compared to the bookmaker's calculations.

Although the above example shows an 'outsider' being value, that's not to say you can't find value bets at the other end of the market. A 1-2 odds-on shot is a value bet, if it should have been priced at 1-3. Even favourites can be value bets.

As an example - if a punter likes to bet on short-priced favourites, and has 1,000 bets over the course of five years at odds of 10-11, when the correct odds are 1-1, and he puts £100 on each horse, he will hand over to the bookmaker a total of £100,000 (1,000 bets x £100 = £100,000).

But, because he has taken a price of 10-11 on each horse, he will only get back from the bookie £95, £450 when 500 of his selected horses win, based on an



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average winning ratio of 50% at true odds of 1-1. He will lose £4,550 over the course of those 1,000 bets, because he is taking a shorter price than the true odds.

In looking for short-priced *winners*, instead of value, he loses money. He might feel he's being successful as he is winning 50% of the time, but the maths, and the poor value odds he takes, will defeat him.

If, however, instead of betting at odds-on, he managed to get odds of 11-10 about each of those horses he backed, he would get back £105,000 from the bookie when 500 (50%) of his selected horses won. He would make a profit of £5,000 over the course of those 1,000 bets.

He would make a profit because he took larger odds than the true odds of the horse winning the race.

## Bookmaker's odds

Let's look at another race, and use a simple example where there are 5 runners, and the bookmaker thinks they all have an equal chance. I know it's very unlikely, but bear with me, I am illustrating a point. That means each horse has a 4-1 chance of winning, 4 horses will lose and 1 will win.

Odds of 4-1 are equivalent to a 20% chance of winning the race.

The percentage chance of all the horses must come to 100 when making a book that accurately reflects the chance of any of them winning. In this case 5 runners  $\times 20\% = 100\%$ .

The bookie doesn't want a 100% book, because there's no profit in it for him, so

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he will shorten the odds to give him a profit. He may offer a price of 3-1 on all of the horses, instead of the 'true' odds of 4-1. This is based on the bookmaker's opinion of each of these horses' probability of winning (an equal chance), plus his profit.

3-1 is equal to 25%, and this percentage multiplied by 5 for the 5 runners. It adds up to 125% ( $5 \times 25\% = 125\%$ ). Anything over 100% means the bookmaker has an 'over-round' book, which is how bookies make money.

As you can see from the above example, if he takes an equal £100 in bets on each horse, he would take £500 in total in wagers ( $5 \times £100$ ), and pay out £400 when the winner came in at 3-1 (£300 winnings + £100 stake returned = £400), guaranteeing himself a profit of £100 on the race, whichever horse won.

Obviously, the example above is unrealistic. No race would have all the runners at the same odds, the horses wouldn't all have the same chance, and the bookie wouldn't take exactly the same amount for each horse; but the above example shows how bookies will shorten the odds in an attempt to guarantee themselves a profit on each race.

As you can see in the above example, the odds offered by the bookmakers for the majority of horses, are shorter than the true odds.

### Professionals and Value Betting

Probably two of the best-known bettors to the general public over the past twenty years have been JP McManus, and Dave Nevison. Both were well known for making a book, and using it to help them select their bets. JP has kept his methods close to his chest for decades. Dave Nevison has now retired, but he's hinted at how he did it in a few interviews.

Put together from the interviews he's given over the years, here's the basic modus operandi of Dave Nevison's betting strategy:

- He got up very early in the morning which gave him time to analyse the day's racing
- He limited the type of race he concentrated on to races where he knew each horse's form in that race
- He preferred handicap races, and would try to predict 'in his head' how the race would be run
- He limited the distance of races to no more than a mile. This helped him to avoid races where the horses could be 'held up' and not run to their true speed
- He used various factors to price up each runner, including speed and form. He then worked out the percentage chance of each horse and converted it to odds
- He concentrated on horses that the market (the bookies) had given a 15%, or larger, price to, compared to his own 'book'
- He rated the favourites in each race from genuine to false before determining his selections

Of course, the hard part is knowing the horses and how they might run, and the

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calculating of the various factors that go into accurately pricing-up each of the horses in the race. That's the intangible and difficult skill that sets him, and other professional gamblers, apart from most punters.

If you know your racing, and you're also looking at a race for older horses, that makes it a lot easier to 'weigh up' the form - it's there for all to see. The knowledgeable bettor who studies the form has an advantage over someone who doesn't, as he then has a better idea of how each horse might run, and be more able to work out an accurate value book.

As you can see from the points above, Nevison spent several hours each day studying the form for the meeting which he attended, and put together his own tissue, based on his judgement of the horses. His 'edge' over the bookmakers was his knowledge of the horses, the form study, and the mathematical ability to put together his own betting tissue.

He developed the ability to read the form, and to use his judgement, honed over many years of following the game. This expertise means he was able to make a book that was more accurate than the bookmakers, which enabled him to make a profit from racing over the long term. He was reputedly making low to mid six-figure sums a year.

The methods he used would have been tweaked over the years by Nevison, to capitalise on his strengths of race-reading and other factors, but every professional has a different way of making a book. When you look at the various factors that go into predicting the result of a horse race, it's not surprising that each professionals' interpretation will be different, subjective, and based on their own preferences.

For example, some pros place greater emphasis on form, some on speed figures, some work out their own handicap ratings, etc.

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Everybody is different. It's that difference of opinion that makes racing such a difficult nut to crack, if you want to make a living from it. It's your opinion against the bookmaker, or fellow punter on the exchanges like Betfair or Betdaq.

If you have an ability to read form, or you subscribe to publications such as the Racing Post or Timeform that employ form experts, you could use their ratings to create your own book.

If you try to work out your own figures to make a book, you're trying to express your opinion of the horse's likelihood of winning the race, in terms of the prices you would be happy to accept for the horse, or horses, since you can bet on more than one value horse in the same race, that you want to back.

If you want to become a form reader and do this yourself, you'll be using this knowledge to create your own book. You'll be backing your judgement, which will include a rough assessment of whether the odds on offer are acceptable or not.

It's your assessment of a horse's chance, converted to odds, against the bookmaker's evaluation of the correct odds, plus their profit margin, that will determine whether or not you make a profit.

Of course, the more knowledge you have, the more easily you will be able to spot mistakes the bookie has made, and pick out value horses.

**If you want to do it this way, without input from the experts, you will have to be adept at form reading, and be good at evaluating each horse's chance on the day. It does take a lot of work, and that's why most professionals let the experts of Timeform, or the Racing Post, do the 'heavy lifting'.**

### A Simple Betting 'Tissue'

After realising the importance of value to all successful gamblers, what I wanted was a way of taking accurate ratings and converting them to odds, which would give me a way to calculate my own betting 'tissue'.

Reading many online racing forums, I realised there was a lack of information on how to do it, so I contacted someone who could put together a simple formula, that would take a set of ratings and convert them into a value book.

The result is this short manual, what I've called 'The Alpha System'. All you need is a cheap supermarket calculator, my formula, and the free ratings in the Racing Post, and you have the ability to make your own book for any qualifying race.

The Alpha System on page 23 is not a method concerning courses, trainers, jockeys or other, more commonly used methods of horse selection. It's a method based purely on mathematics. As a result, it should only be part of an overall strategy of horse selection, which involves form study, and takes into account other factors such as the going, distance, the draw, etc.

It won't make an accurate book for you from ratings alone, but it will give you a basic value book that you can adjust by looking at the various race factors I describe on page 46.

If you want to give yourself a larger advantage over the bookmaker, it's always a good idea to know as much as you possibly can about each horse in the race you are betting on, and the different conditions that go into predicting the outcome of that race.

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In a sport involving animals, there is no such thing as an exact science. However, through the application of intelligent, analytical calculations, we can turn the bookmakers advantage to one that favours us.

In other words, instead of taking the poor-value bookmaker's odds at face value, we are looking to bet at larger prices than the 'true' odds, in order to make a profit. However, what constitutes 'true' odds is more difficult to quantify.

As experienced bettors have found, the way to win over the long term is to back horses that are at value prices only, and ignore horses that are poor value. The formula inside this manual should help you do it.

Good luck with your betting.



# The Alpha System

Success is spelt W-O-R-K

Fortunately for the bookmakers, most people use overly simple methods when looking to select the winner of a race. To succeed in this game, you have to put in the effort to lift yourself above the lazy punter wanting instant success, with no work. There is no such thing as a free lunch.

The Alpha System will enable you to use ratings, whether they are form, handicap or speed ratings, and, if they are accurate, produce your own basic betting 'book' from them.

Variations on the following methods are used by many professional gamblers to calculate a value book. As with everything else, success is usually down to hard work, and this method is no different. Yes, you'll have to put in the work, but once mastered, it will give you an ability to create your own simple betting tissue.

Using the bare formula with the ratings, will take you 10 minutes to make a book for each race once you become comfortable with it. All you need is a copy of the Racing Post, a calculator and a pen and paper, or a spreadsheet.

The formula can be used every day, except Bank Holidays, as there is simply too much racing on these days to concentrate on.

## **The Ratings**

The Alpha System uses the Racing Post Ratings (RPR). These reflect the current form of the horses, and are a measure of a horse's ability, if running to it's best on the day. The RPR column is on the far right of the race card below (highlighted

on the right):

2:40

**SHLOER CHASE (LISTED RACE) (CLASS 1) (5yo+) Winner £39,865 7 runners 2m Good CH4**

**Race Conditions:** £70,000 guaranteed **For** 5yo+ **Weights** 11st **Penalties** after September 2012, a winner of a Class 3 weight-for-age chase or a Class 2 handicap chase 4lb; of a Class 2 weight-for-age chase or a Class 1 handicap chase 6lb; of a Class 1 weight-for-age chase 10lb (Half penalties wins achieved in Novices' and Beginners' chases in Great Britain and Ireland) **Allowances** mares 7lb **Entries** 12 pay £ 350 **Penalty value** 1st £39,865.00 2nd £14,959.00 3rd £7,490.00 4th £3,731.00 5th £1,876.00 6th £938.00

RPR
175
163
169
162
171
170
162

NO. FORM	HORSE	AGE	WGT	TRAINER	RTP%	JOCKEY	OR	TS	RPR
1 1411-1	 <b>Sire De Grugy</b> 22 My Risk (FR) — Hirlish (FR) (Passing Sale (FR))	7	11-10	Gary Moore	71	Jamie Moore	169	158	175
2 6314-5	 <b>Oiseau De Nuit</b> t 22 Evening World (FR) — Idylle Du Marais (FR) (Panoramic)	11	11-6	Colin Tizzard	33	Brendan Powell	157	162	163
3 2513-U	 <b>Special Tiara</b> 20 Kayf Tara — Special Choice (IRE) (Bob Back (USA))	6	11-5	Henry De Bromhead	64	Noel Fehily	157	138	169
4 23F42-	 <b>His Excellency</b> b 211 King 's Best (USA) — Road Harbour (USA) (Rodrigo De Triano (USA))	5	11-3	David Pipe	48	Tom Scudamore	148	142	162
5 4527-	 <b>Kid Cassidy</b> 227 Beneficial — Shuil Na Lee (IRE) (Phardante (FR))	7	11-0	Nicky Henderson	71	A P McCoy	150	157	171
6 042RR-	 <b>Mad Moose</b> v1 148F Presenting — Sheshollystar (IRE) (Fourstars Allstar (USA))	9	11-0	Nigel Twiston-Davies	43	Sam Twiston-Davies	143	102	162
7 575F-	 <b>Tataniano</b> 204 Sassanian (USA) — Rosa Carola (FR) (Rose Laurel)	9	11-0	Richard Rowe		Daryl Jacob	155	127	170

**BETTING FORECAST:** 4/5 Sire De Grugy, 5/1 Kid Cassidy, 8/1 Oiseau De Nuit, 8/1 Special Tiara, 12/1 His Excellency, 16/1 Mad Moose, 16/1 Tataniano.

(Images by kind permission of the Racing Post)

We use these ratings to compile our own 'book', so that we can compare the value odds created by that book, with the odds on offer by the bookmakers. This way, we get a basic value book, which we can adjust by looking at the various factors that might contribute to how the horses will run.

### Let's get started.

We are going to use the rating gap between the top-rated horse, and the other horses in the race, to make our own 'book' using the following tables:

**TABLE A**

<b>Rating gap</b>	<b>Final figure</b>
0 _____	1.00 (or 1)
1 _____	.90
2 _____	.80
3 _____	.70
4 _____	.60
5 _____	.50
6 _____	.40
7 _____	.30
8 _____	.20
9 _____	.10
10 _____	.09
11 _____	.08
12 _____	.07
13 _____	.06
14 _____	.05
15 _____	.04
16 _____	.03
17 _____	.02
18 _____	.01

TABLE B

Percentage %	Odds
66, 67	1-2
65	8-15
63, 64	4-7
61, 62	8-13
59, 60	4-6
57, 58	8-11
55, 56	4-5
52, 53, 54	10-11
49, 50, 51	1-1
46, 47, 48	11-10
44, 45	5-4
42, 43	11-8
40, 41	6-4
38, 39	13-8
36, 37	7-4
35	15-8
33, 34	2-1
30, 31, 32	9-4
28, 29	5-2
26, 27	11-4
25	3-1
22	7-2
20	4-1
18, 19	9-2
17	5-1
15, 16	11-2
14	6-1
13	13-2, 7-1
12	15-2
11	8-1
10	9-1
9	10-1
8	11-1, 12-1
7	14-1
6	15-1, 16-1
5	20-1
4	25-1
3	33-1
2	50-1
1.5	66-1
1	80-1, 100-1

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We do this by giving the top-rated horses a benchmark figure of zero, Rating gap – 0, and work out the figures of the other horses in relation to that benchmark figure.

In **TABLE A**, the top rated horse (rating gap of 0) has a final figure of **1.00**, or to simplify: **1**. We then work out the next horse in the ratings, and allocate a figure to that horse based on **TABLE A**. If the second rated horse is **1** point below the top rated, it gets a figure of **.90**, if the second rated horse is **2** points below the top rated horse, it gets a figure of **.80**, if it is rated **3** points below, it gets a figure of **.70**, etc.

We go through all the horses in the race, and give them a figure based on their ratings in points, in relation to the top rated horse. For example, here is a 7-horse race with the ratings, rating gap and final figure:

Horse	RPR Rating	Rating Gap (from top rated)	Final Figure (TABLE A)
Horse 1	Rating – 80	0 (top rated)	Figure 1
Horse 2	Rating - 78	2	Figure .80
Horse 3	Rating - 75	5	Figure .50
Horse 4	Rating - 73	7	Figure .30
Horse 5	Rating - 72	8	Figure .20
Horse 6	Rating - 70	10	Figure .09
Horse 7	Rating - 70	10	Figure .09
			<hr/> <b>Total = 2.98</b>

We then add all the numbers in the final figure column on the right, 1, .80, .50, .30, .20, .09, .09, which, in the above example, gives us a total of **2.98**. We now divide each of the final figures by **2.98**. If we then multiply these figures

## The Alpha System

by 100, it gives us a true percentage chance of the horse winning the race according to the ratings.

Let's go through the 7 horses in the previous example, and use the final figures in TABLE A to come up with a true percentage figure for each horse:

	<b>Final figure</b>			<b>Probable chance (%)</b>	<b>Odds</b>
Horse 1	1.00	/	2.98 x 100 =	33.55 %	2-1
Horse 2	.80	/	2.98 x 100 =	26.84 %	11-4
Horse 3	.50	/	2.98 x 100 =	16.77 %	5-1
Horse 4	.30	/	2.98 x 100 =	10.06 %	9-1
Horse 5	.20	/	2.98 x 100 =	6.71 %	14-1
Horse 6	.09	/	2.98 x 100 =	3.02 %	33-1
Horse 7	.09	/	2.98 x 100 =	3.02 %	33-1
				<hr/>	
				<b>Total = 99.97 %</b>	

If you add the percentages together, the total should come close to 100%. In the above example, I've rounded up, and down, the probable chance figures for each horse (eg. 33.55704 down to 33.55), so the total % figure is not exactly 100, in this case it's 99.97%.

This percentage figure represents the probable, collective chances of each horse winning the race according to the ratings. The last figures are the equivalent odds for each horse, which represent these probable percentages.

You have now created a book where the odds represent each horse's chance of winning the race, according to the ratings. Obviously, to refine your book and make it more accurate, you also need look at the other factors that might influence how each horse would run. For now though, we'll stick with the ratings-derived

'true odds' book.

We don't want to back horses at odds that represent their true chances, as we wouldn't make any money. That means we now need to convert these 100% figures to odds in our favour.

The bookmaker likes to have an edge of 20%, so we should do the same. Then we'll add an extra 10% in case the ratings are slightly out. That means we have a book that is in our favour by 30%.

To convert these 100% figures to figures that are in our favour by 30%, we simply multiply these percentages by 70 instead of 100.

Then, we convert these new percentage figures to odds by using **TABLE B**. These new odds are the minimum odds at which you will back any horse in the race. For example, if we go back to the 7-horse race example we used earlier:

	<b>Final figure</b>		<b>Value -30% (rounded)</b>		<b>Minimum odds to bet</b>	
Horse 1	1 / 2.98	x	<b>70</b>	=	23 %	<b>3-1</b>
Horse 2	.80 / 2.98	x	<b>70</b>	=	19 %	<b>9-2</b>
Horse 3	.50 / 2.98	x	<b>70</b>	=	12 %	<b>15-2</b>
Horse 4	.30 / 2.98	x	<b>70</b>	=	7 %	<b>14-1</b>
Horse 5	.20 / 2.98	x	<b>70</b>	=	5 %	<b>20-1</b>
Horse 6	.09 / 2.98	x	<b>70</b>	=	2 %	<b>50-1</b>
Horse 7	.09 / 2.98	x	<b>70</b>	=	2 %	<b>50-1</b>
	<hr/>					
	<b>2.98</b>					

The odds on the right, 'Minimum odds to bet', are the shortest odds at which you will now bet. By multiplying the final figure total by 70 instead of 100, we have



## The Alpha System

now built in a mathematical edge of 30% over the true odds, according to the ratings.

The new odds on the right represent a value 'book' of our own for that race. It is 30% in our favour over the true odds. In the example above, horse 1, which is a genuine 2-1 shot ( $1 / 2.98 \times 100 = 33.5\%$  which is equivalent to 2-1), is now a value bet if it is offered by the bookmaker at minimum odds of 3-1 or bigger. If you back genuine 2-1 horses at 3-1, you will make money from the bookmaker in the long term.

### Value Prices and the efficiency of the market

Once you have your minimum prices at which to bet, your next step is to go to an odds comparison site, such as 'Oddschecker'. When the bookmakers put out their morning prices, look for the best price offered for each horse by the bookmakers.

But, if you want to 'factor-in' market sentiment, reflected in the prices, you only back these value horses if the bookmakers' prices are within 10 points of the minimum price to bet. We use the 10point rule, because we are using the 'intelligence' of the market to tell us how likely the horse is to win.

Sometimes The Alpha System will price-up a race where some of the minimum odds are way out of line with the betting market. When this happens it is an indication that the ratings do not tell the whole story. If the formula prices a horse at minimum odds of 25-1, and the market prices the horse at 5-1, then the true odds will be nearer 5-1 than 25-1. Conversely, if the formula prices a horse at minimum odds of 5-1, and the market prices the horse at 25-1, the true odds will be nearer 25-1 than 5-1. That's because the betting market collectively has more information than I do, if I am only using bare ratings to price-up a race.

Any racing method which uses data only will always be incomplete. That's why The Alpha System factors-in the input from the market to get a more complete picture, and therefore a greater degree of accuracy regarding the chances of each horse in the race.

You can't ignore the market. It is one of the best predictors of a race outcome. That is why you only bet when the odds available are value, but within 10 points of the minimum odds to bet. For example, if your value book highlights a horse at 5-1, and the market has it at 20-1, that is a difference of 15 points - so no bet. If

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the market has priced that horse at a generally available 14-1, then it is only 9 points away from the value price.

Of course, you can experiment and change this to 5, 8, 15 or 20 points if you prefer, but my advice is to stick to 10 pts.

## Morning prices

When I talk about morning prices, I am referring to the prices the bookmakers put-up from around 11 am onwards, which is when the betting markets are still forming. This is when the bookies make some of their biggest mistakes. To take advantage of value prices, you should also back the system's horses at SP, but, by then, the betting market has settled and most of the value has gone.

## Using Oddschecker

Oddschecker is an excellent tool for the bettor who is looking for value. At a glance, you can see which bookie is offering the best odds, and you can also see if those odds are shortening, blue, or drifting, pink. As you can see from this screenshot of Oddschecker, the bookmakers are listed along the top, and the best prices are highlighted in bold:

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	bet365	sky BET	BET STARS	Golden HILL	BETFRED	betting Bet	BETVICTOR	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once	bet-at-once
<b>Lethal Lunch</b> (5) R L Moore -	7/4	9/4	2	2	2	2	7/4	2	15/8	2	15/8	2	2	15/8	9/4	2	2	15/8	15/8	15/8	15/8	15/8	15/8	15/8	15/8	15/8	9/4	15/8	2	2						
<b>Rock of Estonia</b> (10) J P Spencer -	9/2	4	9/2	4	9/2	9/2	9/2	9/2	9/2	9/2	9/2	9/2	4	9/2	9/2	4	9/2	9/2	9/2	9/2	9/2	9/2	9/2	9/2	9/2	9/2	9/2	9/2	9/2	9/2	9/2	9/2	21/5	22/5		
<b>Give Em A Clamp</b> (7) A Killy -	11/2	11/2	5	5	11/2	6	5	6	6	11/2	9/2	9/2	9/2	11/2	13/2	11/2	11/2	5	11/2	5	5	5	5	11/2	5	13/2	11/2	11/2	27/5							
<b>Angel of The South</b> (2) R Winston -	13/2	13/2	Z	13/2	13/2	Z	Z	Z	Z	13/2	13/2	Z	Z	13/2	Z	13/2	Z	13/2	13/2	13/2	13/2	13/2	13/2	13/2	13/2	Z	13/2	33/5	33/5							
<b>Mey Remain</b> (4) L Morris -	8	9	10	9	9	11	11	9	9	9	11	10	10	9	9	9	9	9	9	10	9	10	9	10	10	10	10	10	10	10	10	19/2	53/5			
<b>Declaration of Love</b> (11) P Cochrane -	12	12	9	11	10	12	10	8	8	10	14	12	10	11	15/2	12	11	11	10	11	11	11	10	12	10	10	10	10	10	10	10	10	54/5	12		
<b>Daddies Girl</b> (9) Clair Murphy -	14	10	11	12	11	12	11	12	16	11	12	10	10	11	12	10	11	12	12	12	10	12	12	10	12	10	12	10	12	52/5	51/5					
<b>Milton Road</b> (3) G Lee -	16	16	12	16	12	16	16	10	12	12	12	12	16	14	14	10	16	16	14	14	14	14	14	14	14	16	14	21	22							
<b>Controversial Lady</b> (1) Michael J M Murphy -	33	40	33	33	25	50	40	25	40	25	40	40	40	40	25	40	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	45	44		
<b>Glimpse Of Dirhams</b> (6) S Hitchcott -	66	66	70	80	66	66	80	66	80	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	104	63		
<b>Million Star</b> (8) Daniel Muscott -	50	100	66	66	50	50	100	50	66	50	100	80	66	80	50	80	80	66	66	66	66	66	66	66	66	66	100	66	47	63						

Under the prices on Oddschecker is the 'Best Book' percentage (below). Anything over 100% is the bookmaker's 'over-round' or profit. The larger the figure, the less value there is for the punter, and the more profit there is for the bookies.

Sometimes, due to competition from Betfair, the different bookmakers will produce an over-broke 'Best Book' such as the one shown here.

1	0-P475U		
2	7-84P6P		
<b>Non-Runners: 0 / 7</b>			
<b>Best Book: 97%</b>			

This 'Best Book' of 97% means you could back every horse in the race to proportionate stakes and make a profit.

These over-broke books don't happen very often, but are a good example of how competition from the betting exchanges has lowered the traditional bookie's margins. The 'Best Book' figure can give you an idea of whether the prices in that race are going to drift or contract later in the day. In the above example, a 'Best Book' of 97% would be short-lived. When the Oddschecker best odds book is over-broke, it is a good time to take a price and bet, as the prices will tend to contract to give an over-round book later.

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Conversely, if you see the 'Best Book' over-round is very high, such as a recent example of 147% for a 10-runner race, you should wait until the odds have settled down. Later-on, you should be able to get a better price.

These high over-rounds usually happen when there have been some late withdrawals. The bookies react to these late non-runners by drastically shortening up the prices of the other horses in the field.







A quick way of calculating the average 'Best Book' over-round on Oddschecker, is to give the bookmakers a 1% profit per horse, plus or minus a few % either way. For example: 108 - 112% over-round for a ten-runner race.

## Using the ratings

Because the ratings are essential when creating a book with the formula, you will only be working out the bets in races where all, or almost all, the horses have been rated. If there are more than three horses without ratings, I tend to leave these races alone, unless they are all long-odds outsiders.

In the example below (the 3.30), you can see a race where all the horses are rated, from 116 (top rated) down to 112:

**3:30** FOLLOW TOTEPOOL ON TWITTER CONDITIONAL JOCKEYS' HANDICAP CHASE (CLASS 5) (4yo+ 0-100) Winner £2,664 6 runners **2m6f** Heavy **ATR**  
**Race Conditions:** £4,100 guaranteed **For** 4yo+ Rated 0-100 **Minimum weight** 10-0 **Penalties** after November 9th, each chase won 7lb **Double Chocolate's Handicap Mark** 100 **Allowances** riders who, prior to November 14th, 2013, have not ridden more than 20 winners under any Rules of Racing 3lb; 10 such winners 5lb; any such winner 7lb; riders riding for their own stables allowed, in addition 3lb **Entries** 10 pay £ 20 **Penalty value 1st** £2,664.18 **2nd** £782.28 **3rd** £391.14 **4th** £195.57

NO. FORM	HORSE	AGE	WGT	TRAINER	RTP%	JOCKEY	OR	TS	RPR
1 6P7623	 <b>Double Chocolate</b> p 11 Doubletour (USA) — Matching Green (Green Ruby (USA))	10	11-12	John O'Shea	100	Ciaran Mckee	6	100	92 115
2 42361	 <b>Waltzing Tornado</b> 7x p 6 Golden Tornado (IRE) — Lady Dante (IRE) (Phardante (FR))	9	11-8	Neil Mulholland	75	Conor Shoemark	3	96	79 116
3 1575/6	 <b>Rozolenn</b> 31 Kaktoz D'Armor (FR) — Belle Indifference (FR) (Kendor (FR))	8	11-6	Venetia Williams	67	Harry Challoner	3	94	87 112
4 P63235	 <b>Princely Hero</b> tp 25 Royal Applause — Dalu (IRE) (Dancing Brave (USA))	9	11-1	Chris Gordon	50	Louis Muspratt	10	89	108 114
5 45633P	 <b>Morestead</b> 13 Traditionally (USA) — Itsy Bitsy Betsy (USA) (Beau Genius (CAN))	8	10-13	Brendan Powell	36	Joshua Moore		87	106 113
6 85-P26	 <b>Flugzeug</b> 11 Silver Patriarch (IRE) — Telmar Flyer (Neltino)	5	10-2	Seamus Mullins		Kevin Jones	8	76	— 113

**BETTING FORECAST:** 6/4 Waltzing Tornado, 7/2 Double Chocolate, 4/1 Rozolenn, 8/1 Flugzeug, 8/1 Princely Hero, 12/1 Morestead.

Looking at the next example (the 2.55), only two horses have been rated in the Racing Post Rating (RPR) column. There are not enough ratings to create an accurate book on this card, and that's why we leave these races alone.

2:55

**JOHN ROGERSON MEMORIAL NOVICES' LIMITED HANDICAP CHASE (THE SUNDAY £5K BONUS RACE)** (CLASS 3) (5yo+ 0-140) Winner £8,229 6 runners **2m6f** Heavy **ATR**

**Race Conditions:** £13,000 guaranteed **For** 5yo+ Rated 0-140 **Weights** highest weight 11st 5lb **Minimum weight** 10-5 **Penalties** after November 9th, each chase won 7lb **Loose Chips's Handicap Mark** 135 **Entries** 12 pay £ 65 **Penalty value** **1st** £8,229.00 **2nd** £2,431.00 **3rd** £1,215.50 **4th** £608.40 **5th** £304.20

NO. FORM	HORSE	AGE	WGT	TRAINER	RTP%	JOCKEY	OR	TS	RPR
1 11P0-3	 <b>Loose Chips</b> b 27 Sir Harry Lewis (USA) — Worlabby Rose (Afif)	7	11-5	Charlie Longsdon	42	Aidan Coleman	135	75	122
2 0311-	 <b>Benvolio</b> 274 Beneficial — Coumeenoole Lady (The Parson)	6	11-3	Paul Nicholls	68	Nick Scholfield	133	—	—
3 13PP-F	 <b>Rendl Beach</b> 26 Milan — Erins Emblem (IRE) (Erins Isle)	6	10-10	Rebecca Curtis	40	Paul O'Brien	126	—	—
4 F/3F9-	 <b>Curtain Razer</b> 304 Old Vic — Echo Creek (IRE) (Strong Gale)	7	10-5	Chris Gordon	50	Tom Cannon	120	—	—
5 8264-P	 <b>Colebrooke</b> p 22 Shamardal (USA) — Shimna (Mr Prospector (USA))	5	10-5	Renee Robeson	50	Joshua Moore	120	—	—
6 33P0-6	 <b>Who Owns Me</b> 17 Milan — Top Lassie (IRE) (Topanoora)	7	10-5	Charlie Mann	100	Mark Grant	120	103	115

Long Handicap: Curtain Razer **10-4**, Colebrooke **10-4**, Who Owns Me **10-4**

**BETTING FORECAST:** 6/4 Benvolio, 3/1 Loose Chips, 7/2 Rendl Beach, 8/1 Curtain Razer, 12/1 Who Owns Me, 16/1 Colebrooke.

If there is only one horse without a rating, but it is the favourite or second favourite, I tend to ignore these races also.

Note: If you are using the ratings on the Racing Post web site in the evening for the following day's racing, be aware that the RPR figures are provisional up until late evening, approx. 7 pm. Before 7 pm, a horse's rating can be say, 96, and then change to 100 in a few minutes. The RPR figures I base the system on are the last, adjusted figures, which are put on the Racing Post site from around 7 pm for the next day's racing.

## Prices

When it comes to backing the formula selections, the shortest price I will take when using the formula is 2-1, and the longest price at which I will back a horse is 28-1. I tend to keep to this range as it has been the most profitable for me.

A horse that the bookmakers have priced at 4-5, when the method's minimum odds to bet are 1-2, is still a value bet, but I don't like betting at odds-on, and the



return on investment isn't worth it to me. I also think that the bookmakers' odds at this end of the market, most accurately reflect a horse's chance of winning. This where the bookies are at their most expert, and where they make the fewest mistakes.

At the other end of the scale, I tend not to back horses priced at 33-1 or above. A price of 33-1, 40-1, 50-1 or 66-1, when the formula's minimum odds to back are say, 10-1, might look tempting, but in practice, these long-priced horses can result in very long losing runs. Also, if we back horses that are more than 10 points away from the minimum odds to bet, we are ignoring the market. That's why I don't back at longer prices. The bookies do make mistakes, but they don't get it that far wrong.

In fact, if you are just starting out, it may be wise to limit your bets to horses priced at a maximum of 16-1, to avoid the long losing runs you get with longer-priced horses.

### **Horses just under the minimum odds to bet**

Because we frame our book to 70%, it gives us some leeway if we think a horse is worth backing at odds that don't quite reach the minimum odds to bet.

For example, if we have priced-up a race, and the minimum odds to bet on a particular horse are 8-1, and the best price with two or more bookmakers is 15-2, half a point too short, it is up to you whether or not you want to back it. Because it is outside of the minimum odds to bet, it won't go onto the formula results, or the profit and loss figures for the month, as it doesn't meet the criteria. However, the difference between odds of 15-2 and 8-1 is only 1%, and that's why you can use your own discretion. It's still a value bet, but at 29% value, not 30%.

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### No Maiden races, 2 year old races or National Hunt Flat races

I don't use The Alpha System in the above races. The Racing Post Ratings are not as effective in these types of races, as there is not as much recognisable form to work with.

### Non-Runners

When any non-runners are declared on the morning of the race, or even just before the race, but after you have worked out the minimum odds to bet, the minimum odds to bet will change. Of course, how much they change will all depend on the rating of the horse (or horses) that have been withdrawn. If the withdrawn horse is one of the horses with a low rating, then the adjusted figures and the new odds will not change dramatically. If, however, the non-runners are horses with a higher rating, then this may radically affect the odds. For example, if there is an eight-runner race like the one below, and the non-runners are rated at **1** and **.60** as in the example below, then the total of the final figures will change significantly. In this case, from **6.1** to **4.5**.

Since this is the number we divide the individual final figures by, before we multiply them by 70 to get the percentage, which we then convert to odds, the resulting odds are going to be shorter after we have removed the non-runners from the calculations.

Here's an example of a race with two non-runners showing the original minimum odds to bet, and the new minimum odds to bet:

Horse	RPR	Final figure	Minimum odds	Morning odds
Honoured	91	.70	11-1	5-2
Fair Trade	89	.50	15-1	13-2
<b>Royal Alcor</b>	<b>90</b>	<b>.60</b>	<b>14-1</b>	<b>NR</b>
Mystery Bet	93	.90	9-1	6-1
Absent Amy	92	.80	10-1	9-1
<b>Dame Nellie Melba</b>	<b>94</b>	<b>1</b>	<b>8-1</b>	<b>NR</b>
Luv U Whatever	93	.90	9-1	9-4
My History	91	.70	10-1	<b>*16-1</b>

---

**Total = 6.1**

New minimum odds, after removal from the calculations of the non-runners Royal Alcor and Dame Nellie Melba (value bets in bold):

	RPR	Final figure	New Min. odds	Morning odds
Honoured	91	.70	8-1	5-2
Fair Trade	89	.50	11-1	13-2
Mystery Bet	93	.90	6-1	<b>*6-1</b>
Absent Amy	92	.80	15-2	<b>*9-1</b>
Luv U Whatever	93	.90	6-1	9-4
My History	91	.70	8-1	<b>*16-1</b>

---

**Total = 4.5**

As you can see, because of the two non-runners, the new minimum odds to bet are now shorter for the remaining horses in the field. You are now dividing the

## The Alpha System

original final figures by **4.5**, instead of **6.1**. This will, of course, give you lower percentage figures, which you convert to minimum odds.

These lower percentage figures, and therefore shorter minimum odds, means there are now three value horses in the race, as 'Mystery Bet' now becomes a value bet, because the minimum odds for that horse have contracted from 9-1 to 6-1 (odds on offer - 6-1).

Absent Amy is also now a system bet, because her minimum odds have shortened from 10-1 to 15-2, which is now 1½ points lower than the 9-1 odds on offer from the bookmaker.

This is the downside of working out your bets on the evening before, instead of doing it on the day. Many trainers will leave any decision to withdraw their horse until the morning of the race, which means you will have to re-calculate the minimum odds to bet for the remaining horses in the race.

### **Let's go over the steps for using the Alpha System again:**

1. Work out the Rating gap between the top-rated horse (or horses) and the other horses in the race.
2. Use TABLE A to get the final figures equal to the rating gap.
3. Add these numbers together to get a total.
4. Divide each final figure by this total number, then multiply this percentage figure by 70, to give a percentage figure 30% in your favour for each horse.
5. Use TABLE B to convert this final value % figure to minimum odds at which to bet.

You then go to Oddschecker, and look for the best value price offered by the bookmakers. Also, look for value prices in the five or ten minutes before the 'off'.

If you combine the early (11 am. onwards) value prices with the later (SP) value priced horses, you are capitalising on the bookmakers' mistakes, whenever they occur.

Of course, the formula will not be as effective on its own, as it will be if you combine it with an analysis of the factors that might contribute to how the horses may run in the race.

### Summary

By using the methods in The Alpha System, you now have a way of making a punter's book to tell you which are the value horses in any race, according to the ratings.

As you can see from the previous examples, I'm not picking horses; I'm picking odds. The prices are the only criteria used in deciding whether to bet. I'm also not looking for 'winners', but for value bets. By using The Alpha System, you will be able to spot horses that are at value prices, before the money comes in for them.

You're not picking either 'heads' or 'tails' to win. You are allowing the bookmaker to select your bets for you, according to how out of line they are in relation to your own 'book' by pricing up each horse in the race. Just as you would take the bet, if a bookmaker offered value odds of 5-4 on a genuine 1-1 chance, such as heads or tails.

The bookie doesn't know which side of the coin is going to land face up, but he does know the correct percentage chance of that result happening, and offers you odds *shorter* than the true odds to make money in the long term. The bookies use these same principles in horse racing, and any other market they offer betting odds on.

By using the methods in this manual, and by analysing each race, you will learn how to make your own book and be a value bettor.

The formula might seem complicated at first reading, but after a few days of using it, will become a lot easier. Your next step should be to either buy a copy of the Racing Post, or go online to [racingpost.com](http://racingpost.com), and try it for yourself. Start by using

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a bank of 'play' money until you feel confident in the method, and in your own abilities to use it. You could then progress to putting aside a small betting bank and using small stakes.

The best way for anyone to become familiar with the formula is to use it every day. You should read this manual a few times, but the best way to learn anything is by trial and error. Only by working out the bets yourself, will you become comfortable with the methodology of doing so.

There will be races where none of the horses meet the criteria to bet, and races where you might want to back two horses or more in the same race. On some quiet days, you might be backing 10 horses a day, and on a busy Saturday, sometimes 30 or more. That might seem a lot, but sometimes, you must take advantage of the bookies' mistakes whenever they occur. By taking advantage of every opportunity to bet at value odds, you are maximising your chances of making a profit.

## Using a Spreadsheet

If you don't want to use a calculator to work out your bets, you could use a spreadsheet. Here's an example in Open Office Calc (which is free):

As you can see, we have the Final figures 1, 1, .90 (here expressed as 0.9) .90, .50 and .40 etc. in column A.

	A	B
1	1	
2	1	
3	0.9	
4	0.9	
5	0.5	
6	0.4	
7		
8		
9		
10		

	A
1	1
2	1
3	0.9
4	0.9
5	0.5
6	0.4
7	4.7
8	

To add them, click on the 'Sum' ( $\Sigma$ ) box, then the 'Accept' green tick. When you have the figure, (in this case **4.7**) click on cell B1, then 'Sum' ( $\Sigma$ ).

	A	B
1	1	
2	1	
3	0.9	
4	0.9	
5	0.5	
6	0.4	
7	4.7	
8		

	A	B	C	D
1	1	=SUM(A1)/4.7*70		
2	1			
3	0.9			
4	0.9			
5	0.5			
6	0.4			
7	4.7			

You then input the calculation into the box to the right of the green tick. In the above example, you divide by 4.7 ( / = divide) then multiply by 70 ( \* = multiply) then click on the 'Accept' green tick.

When you click on the green tick, it calculates the percentage ready to be turned into odds. You only need to use the first three numbers, in this case 14.8 which



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is rounded up to 15, which is the percentage.

15% is equivalent to odds of 11-2.

	A	B
1	1	14.89361702
2	1	
3	0.9	
4	0.9	
5	0.5	
6	0.4	
7	4.7	

To work out the percentages for the other numbers in column A, you just right click on the number in cell B1, then left click 'copy'. Then right click on B2, and left click 'paste', right click on B3, and left click 'paste' etc. It will automatically calculate the percentages for you.

You work out the equivalent odds of those percentages by looking at Table B:

	A	B
1	1	14.89361702
2	1	14.89361702
3	0.9	13.40425532
4	0.9	13.40425532
5	0.5	7.446808511
6	0.4	5.957446809
7	4.7	
8		

### Race Factors

The above 'basic' Value Book Formula method uses mathematics only to select horses to back. It doesn't consider trainers in form, jockeys, the course, draw bias, the going, etc. If you want to further refine your selections by taking these factors and variables into account, then you will be stacking the cards even more in your favour, and making it more likely you will turn a profit.

It's always better to know as much as you can about each horse in the race, as this will lead to you making more informed decisions. The following chapter will give you an idea of what some professional bettors, who use these criteria, look at before deciding which horse to back.

There are many factors that go into how a race will be run, and how the various horses in that race will run on the day. To maximise your profit, you need to take them all into consideration. Here are a few things to look at:

### Trainer form

Trainer form is important, but you have to be wary when using it as a major part of your 'tissue' making process. You need to beware of reading too much into recent wins. If a trainer has had a winner that day, or a couple in the last week, it doesn't mean that trainer is in form, because the sample size isn't large enough. A winner in isolation doesn't mean much, unless you compare it to the total amount of runners that trainer has put out over the past few weeks.

A very busy yard can be more easily assessed because of the number of runners they have. Whereas it's much more difficult to judge the form of a trainer from a small yard, which only has a few runners over the course of a month.

Be careful about taking the word of the racing press when they talk about 'in form' trainers, as they can be guilty of being too late in identifying trainers that have come into form. They can also hold onto 'in form' trainers for too long. It's best to do some race reading yourself, and trust your own subjective judgement, along with the opinions of the experts.

It's not all about noting winners, either. Sometimes a trainer can be having a few 'near misses' when their horses are placed, and are running well at large prices. If a trainer's horse at a price of 20-1 has been beaten by a length in a hotly-contested race, and they have had a few placed runners in quality races, it can mean that trainer is coming into form, and can tell you much more than a trainer who has had a few odds-on winners in poor races.

Looking at trainer form can give you more insight into how a horse may be likely to run, than just looking purely at the horse's previous form. If a horse ran badly last time out, when the trainer's horses were running badly, that horse may now be a longer price than it should be, even when the trainer has returned to top form. Similarly, when a horse has run well with the trainer is in good form, it might now be at a prohibitively short price, even if the trainer is now in poor form. You can now oppose it with more confidence, and look for other horses in the field that may be value bets.

It's always a good idea to look at a particular stable's recent form. The horses of a winning stable may have reached a higher fitness level, as horses work with one another at home, and if the stable's horses are doing well at various courses, then they will be working well at home, and stretching their stable-mates. If the trainer can see his horses working well with horses that have won recent races, he then has a benchmark from which to place his other horses to win.

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Also look for trainers, and their favourite races and courses. Most trainers have courses where their horses do particularly well, and it's something you should watch for by looking at the stats for each course. Some of these trainers may target specific races year after year. Also, some trainers have particular months where they come into form. You can see this on the previous season's stats.

Of course, trainer form on its own shouldn't be the sole criteria of whether to have a bet or not, but it's a valuable factor in determining how the horse may run, if it's to run to its best and win. This factor can also be underestimated by the betting market, which might give you more opportunities to back value horses. Blindly following a stable in form might not be a great way of picking winners in itself, but it can be a useful tool to help you narrow down your selections.

If you look in the Racing Post on each race card, there is a table under the heading 'Top Trainers', on the RP online under 'Statistics'. This shows the trainers with the best wins to runs percentage at that course.

This table also shows the profit or loss to a £1 stake, and also the horses % success in National Hunt flat, hurdles or chases, or their % success with their 2 year old or 3 year old+ horses (Flat).

## Form

Relying on the form of the horses in a race to finalise a bet, is how most people pick a horse to back. The method usually used is to examine 'collateral' form lines. This means comparing a horse's performance against another horse (or horses) that it has run against.

Using collateral form to select your horses may seem to be a good way to pick winners, and if you study a race where Horse A has beaten Horse B, and Horse

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B has beaten Horse C, it is reasonable to assume that Horse A will win the race, ignoring weight increases/reductions in handicaps. Unfortunately, because the form lines are so obvious, everyone else will have come to the same conclusion, and will want to back the horse. The bookmakers, because of the weight of money for it, will make it the favourite at a very short, prohibitive price.

Because bookmaker's odds more accurately reflect a horse's chance of winning at the 'sharp' end of the market, it would be very hard to make money backing these 'obvious' horses.

## Handicapping

The complex subject of handicapping is not one that can be comprehensively covered in a manual of this size. However, if you wish to delve further into this discipline, there are many good books on the subject.

Handicapping is the job of the British Horseracing Authority. Their team of handicappers rate each horse, and give it a handicap weight to carry. The aim is to equalise the performances of the horses and, in theory, give them an equal chance of winning the race. They do this by giving the top-rated horses the highest weight, and the lowest rated horses the lowest weight, to carry.

Once a week, the ratings for each horse are re-assessed. The improving horses are given a higher rating and therefore more weight to carry, and the poor performing horses are given a lower rating and therefore a lower weight to carry in their next race. A horse's rating is related to lbs. in weight. If a horse has a rating of 55, it will carry 10lbs less weight than a horse rated at 65.

As stated before, the aim of the handicapper is to equalise each horse's chance of winning, by using weights in relation to that horse's ability. A race that was

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perfectly handicapped would be one where all the horses would cross the line in a dead-heat. Since that has never happened, we can assume that the handicapper often gets it wrong.

Many handicappers place a great deal of importance on the weight a horse will carry in a race. Other people say that the effect weight has on a horse's performance is exaggerated. Some argue that putting extra weight on a good, progressive horse doesn't make much difference to its performance, and taking weight off a poor horse will not make it run much faster.

The American professional gambler, Andy Beyer, the author of 'The Winning Horseplayer', takes the view that giving certain horses extra weight to carry will not affect the outcome of the race as much as the public think it will. If the horse is fit, has stamina, and can quicken at the end of the race, then a few extra pounds will not stop this horse. Beyer states that, if horse A beats horse B by a nose, and both of them are carrying the same weight, and they meet a week later, and this time horse A carries a small penalty, he would back horse A and expect to make money over the long term. This is because the betting public would back horse B due to the lighter weight it would carry, thereby lengthening the odds on horse A, giving Beyer a profitable edge over the bookmaker.

Some professionals, like Beyer, do not place the importance many bettors do on weight penalties, but rely on a good horse's ability to defy a weight increase. However, it should be noted that the longer the distance and softer the ground, the more influence weight has on the outcome of a race.

There are two things a trainer can win in a handicap – prize money or a reduction in weight the horse will carry next time out. Even the shrewdest gamblers can be caught out by trainers who are not running a horse on its merits.

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Obviously, stewards will keep an eye out for any skulduggery, but a clever trainer can usually get around this minor inconvenience by employing a few shady tactics. They can put on blinkers when the horse runs badly in them, tell the jockey to make sure the horse gets 'boxed in', run it at the wrong distance, etc. As long as there is betting on horses, this chicanery will continue, and there is nothing we can do about it. As the trainer Luca Cumani once said, the only way to stop non-triers is to put an end to handicap races.

If you wish to compile your own handicap figures and make your own private handicap, there are books available to help you. However, it is a time-consuming job, and it's for this reason that many people use the expertise of professional handicappers.

## Speed figures

Speed figures turn recorded times into performance ratings, that give an indication of a horse's ability, set against a standard time. There are a few services both online and offline that specialise in producing what they say are accurate speed figures for British racing. However, it is difficult to give a very accurate figure to horses in Britain and Ireland, as they run on turf which has variable going conditions.

Be wary of looking at a time a horse may have recorded over a particular distance, and reading too much into it. The time doesn't mean anything if the course isn't considered, and the surface conditions of the course faced by the horse on that day.

In America, speed plays an important role in determining a horse's odds. The speed experts examine a horse's finishing times, track bias, the draw, and other variables, by using 'sectional' timing. This involves taking the times of the horses

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electronically at each furlong marker, which gives them the ability to 'read' a race, and gives them an insight into how the race was run. These figures can show you which horses can quicken at the end of the race, which ran a slow first 4 furlongs, etc.

However, American tracks are all flat and oval, and have a uniform surface, whereas British courses vary considerably in their layout. Some of them have tight turns, others are undulating, and many of them have gradients that make 'standard' times almost meaningless.

Over long distances, the use of speed figures becomes even more problematic, as many of these races are not 'truly run'. For example, many of the horses will have been 'held up' during the race, and will have been cantering for most of it. Also, if a jockey feels the chance of a 'place' is gone, the horse might not be 'ridden out', therefore giving it a false speed rating.

Other factors to consider when looking at speed figures are the age of the horse, and its maturity level, its handicap mark, its suitability to the distance or the going, and its health.

There are some people in Britain who produce very accurate speed ratings using sectional timing, but be careful of treating bare speed figures as the 'holy grail' in determining a horse's ability.

## The Going

The 'going' that the horse will be running on is an important factor in how it will perform on the day. Can the horse win, given the ground conditions? Look at how the horse has run on the same ground previously. If it has run well, or won, the horse should go on your shortlist. Bear in mind that some of the going reports are



inaccurate, as they don't take into consideration watering, drainage, and other factors.

If you are basing your betting tissue on speed figures, then the state of the ground will have a marked effect on the times achieved. Heavy ground can add seconds to a race time, even over five furlongs.

What is the horses' action like? A rounder action, where the horse brings its forelegs higher off the ground, usually means the horse will go on softer ground, whereas a horse that keeps its action low will prefer firmer ground.

Again, Timeform or the Racing Post will go into further detail on the suitability of each horse to the ground conditions.

If you're using the points method, you could add points, or subtract them, according to the suitability of the horse for the ground conditions.

## Distance

Can it get the trip? Looking back over the horse's form, you'll be able to see if the horse is suited to the distance. Look at the race notes in the Racing Post, or other publications. If they say something like 'running on strongly at the finish', it usually means the horse needs a longer trip.

But, sometimes horses change. For example, a successful two-year-old might develop into a three-year-old that needs a longer trip. Other horses might develop more stamina as they get older. It's a good idea to look at the dams and sires of each horse, as sometimes breeding can be a clue to the horse's eventual stamina and preferences.

Does the horse pull too hard, and lose energy by doing so? If it does, it may not get the trip, even if its breeding says it should. A horse that relaxes, and settles

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well early on, usually stays further than one that doesn't.

Will the race be run at a fast, early pace? If the answer is yes, that might mean staying horses may have nothing left in their 'tank' when in the final few furlongs. If the race will be run at a more sedate pace, horses that can quicken in the final furlongs should be noted.

Has the trainer run the horse at too long a distance and is now dropping it back to its favourite trip, or vice versa? Some trainers will run a horse at the wrong trip to get a lenient handicap mark, then capitalise by taking advantage of the lighter weight.

## Draw Bias

The draw is an important factor to consider at many flat courses. To some professional gamblers, noting which courses favour high or low draws is a vital part of their betting strategy.

It might also be wise to take note of which side of the track has slower ground due to heavy rain, drainage problems, or over-watering of the course. Obviously, to counteract this, some jockeys may take their horses across to the faster ground during the race, but they may lose a winning distance by doing so.

It's also a good idea to make allowances for the draw, when analysing past performances. A horse that has run into a place, or has won from a bad draw, may be worth following next time out.

## Jockeys

It is always advisable to make a note of the booking of an in-form jockey by an unfashionable stable, or even a fashionable one. It is also worth noting when a jockey switches from his usual mount, to another horse from the same stable, in

a race.

In the printed edition of the Racing Post, there is a small table on the race card called 'Top Jockeys' (in the RP online under 'Statistics'). This shows which jockeys have the highest percentage of wins to rides at that particular course.

Analysis of the performance of horses over time, has shown that the difference between a top class rider and a journeyman rider is about 4lbs. When the result of a race in a photo-finish can be decided by the thickness of a cigarette paper, this 4lb advantage could be decisive.

There is no doubt that a top jockey can get more out of most horses than the rest. However, as with other easily identifiable advantages, the bookmakers usually take the booking of a top jockey into account, shortening the horse's odds accordingly.

As I have stated before, even if the bare ratings are accurate, The Alpha System will work better if you take into consideration any of, or all, the above variables. If you become more expert in analysing races, it will stack the odds even further in your favour, and help you produce a more accurate book.

### Beating the Favourite

In most cases, when we use The Alpha System, we are looking to beat the horses at the head of the betting, especially the favourite. The value horses The Alpha System selects, are usually the horses that are outside of the first two or three in the betting, and that is where the greatest value lies. Conversely, the horses at the head of the market are usually horses offering the poorest value, especially short-priced favourites, and odds-on favourites.

Even though this method uses value only, and no other factors such as weight, the going, distance, or the draw to select the bets, it might be a good idea to look

at the favourites in the race a little more closely, in order to gain a greater understanding of how these horses might run.

Many professionals look for weak favourites when looking at a race, to highlight value horses to back. If you can spot these 'false' favourites, you will be in a much better position to accurately judge the chances of the other horses in the race and, therefore, the value bets in that race.

The following will give you an idea of what some professional bettors look for when judging whether a horse is a 'false favourite' or not:

### **What to look for:**

#### **Class**

- Is the horse stepping up in class, from class 5 to class 4 for example, since its last race?
- Is it facing stronger competition than it has faced before? Has it won at this level before?

#### **The Going/Distance/Weight**

- Is it running at a distance or on a surface where it has won before?
- Is it running at a course where it has won before?
- Does it like soft or firm ground?
- Has it been penalised by the handicapper, and is it carrying too much weight?

If you go to the Racing Post website, under 'Standard' race cards, and click on the horse's name, you will get a lifetime record of its form. It will show you the race conditions for every race, what weight it carried, its finishing position, and even which jockey was riding it on a particular date.

### Notes

#### Forget the long shots

In the majority of races, almost *any* horse can win, and not many horses can be totally discounted, apart from the obvious nags. Even the 66-1 and 100-1 outsiders can win. We've all seen it happen, even if it's once in the proverbial blue moon. But, when these long-shots do come in, few have backed them and the bookies clean up.

Why are they not backed, even by the trainer?

Because they're priced correctly relative to their chance of winning. They win so infrequently that you'd lose your shirt, and even your house, if you tried to back them with serious money over the long term.

Horses priced at 100-1 and 66-1 do win, but when they do, even the trainers of these horses are amazed at their performance. If you tried to work out when these long-shots would win, it would be impossible - there would be no indication when they were running at their best. Even if you studied their form for hours, you'd probably get it wrong, and lose a lot of money. That's why they should be left alone. Even horses priced at 50-1 and 33-1 should be avoided.

Why?

Well, if you create your own value book, and price a horse at true odds of 33-1, you're saying it has a 2.9% chance of winning the race. If the bookie prices it at 50-1, they're saying it has a 2% chance. That's not much of a difference, and not much *overlay* for you.

Both you and the bookie are agreeing on one thing: it's going to lose, and you're not really getting much value backing it. You can't back it at 50-1 with the bookies, when you've priced it at a true price of 33-1 and call it a value bet.

But, if you look at horses in the top half of the betting market, and spot a horse priced by the bookies at 3-1 when you've priced it at 2-1, you're getting good value. You've priced it as a genuine 33% chance, but the bookies are saying it has a 25% chance. That's a big difference, and it gives you a good overlay if you've read the race right, and your book is correct.

It's the difference in the percentages where the real value lies, not the price. A 33-1 shot compared to 50-1 sounds like a massive difference, but you don't have much of an edge to make it profitable over the long term. If you're backing lots of these long shots, you'll also have losing runs that stretch into the hundreds. That means you'd have to put aside a very large betting bank to withstand the losing runs.

### Odds And Probability

If you've been watching racing for any length of time, you'll have come to realise that the odds of horses have a relationship to their chance of winning. When it comes to betting on racing, more horses priced at 1-1 win, than horses priced at 5-1, and more horses priced at 5-1 win than horses priced at 10-1.

That's obvious, isn't it?

The market tells you which horse is more *likely* to win, but it can't tell you the winner. No-one can know that for certain. We can make educated guesses as to how the horses will run, and what price they should be, by looking at their previous

form, and other factors, to see if they're suited to today's conditions, but we can't be sure of their *exact* percentage chance of winning.

To create a relatively accurate book, we must come up with an approximation of the odds the horse *should* be. That's all the bookmakers do when they create their book. They look at the various factors that may contribute to how well the horse will run, then give each horse a price relative to how they think it will perform.

Of course, they don't give it a 'genuine' price, which accurately reflects its chance of winning. If the true odds were 1-1 (evens) of a horse winning a race, they might shorten those odds to 10-11, 5-6 or 4-5. They make money by shortening what might be the true odds, to odds which are less than they should be, therefore giving them a profit.

Therefore most bettors lose money in the long term – they take the odds at 'face value' and don't look for value odds.

The punter can never accurately predict the exact true odds of a horse winning a race, in the way that they can with say, a toss of a coin. There are too many variables when highly-strung animals are running over courses that involve different ground conditions, distances, jockey tactics, obstacles (fences), and other unforeseen factors.

But, whether punters win or lose in the long term is all down to the numbers.

How bookies make money is down to the correct reading of the race, and the pricing-up of that race to ensure a profit. The bookmaker has to be more accurate in pricing-up a race than the punter who bets with them. Luck has nothing to do with it. Over the long term, mathematics and logic come to the fore, and determine your profit or loss.

The bottom line is: the odds at which you place a bet can mean the difference between winning and losing. The price of the horse relative to its chance of winning is the most important thing to consider, if you want to make a profit from your betting.

### What you need to produce an accurate book

Although you can use a formula like the one above, for a better chance of making a profit, you need to know your racing. You need to know all the contributing factors that will enable you to predict the winner. The more knowledge you have about a race, and how it might be run, the better.

As the old saying goes: 'Knowledge is power' and that is especially true of racing.

The formula will give you a starting point, or an end point, should you wish to calculate your own ratings first before applying the formula. However, you should always look more deeply into the various factors that may determine how each horse will run, in order to create your own accurate book.

Because form reading is a very laborious and time-consuming process, it's always better to utilise the expertise of the form readers at Timeform, or the Racing Post. They devote hours of their time to race-reading, and can give you a lot of detail and insight into each of the horses, and how they're expected to run. They also go into detail about each course the horse is running over, the characteristics of that course, and how it might suit each one, or not.

Timeform is particularly good for this, and they also have their own ratings. The Racing Post can also be a good guide, and is relatively cheap, but it might not be as in-depth as Timeform, or other specialist rating services.



### Ratings

Ratings compilers, such as the people behind The Racing Post's RPR figures, look at all the positive and negative factors that may influence how a horse runs, and express them as one single figure.

Using the formula with the Racing Post Ratings will save you a lot of time, but if you use other ratings, make sure they are accurate, or your book will not correctly reflect each horse's chance. You can use accurate ratings to make a basic betting tissue, but you need to look at the other important factors to give you a more complete perspective on each horse's chance.

For example, some of the important factors are:

- How likely is the horse to run to its form?
- Does it run best when fresh, after a long lay-off, or does it need a run?
- Will it suit the conditions, has it previously run on turf and is now running on the all-weather, or vice-versa?
- Will it go on the ground?
- Does it run well in headgear?
- Is the trainer in form?
- Is the horse having its first run for a new trainer?
- Is the trip suitable?
- Is it a front runner, or will it be held up?
- Is the horse improving?
- Is there strong market support for the horse?
- Can it win? Some horses just can't win, no matter what

These are all questions you should ask to get a better idea of how the horses in the race will run.

### The Favourite

Another question you should ask is: does the race have a false favourite?

One of the most essential methods of successful professionals is spotting which favourites' odds are too short, and which favourites can be beaten. If they can spot these horses, it means they are more able to identify the other horses in the field, which might be at larger odds than they should be, and are therefore good value.

What to look for:

- Is the favourite running its first ever race, ie a 2-year-old, and has it been 'hyped' by the press?
- Is it running its first race this season? For example, some 2 year old horses don't 'train on' to be good 3 year olds.
- Has it won a race before? Some horses just can't win. There are hundreds of horses that will never win a race in their lives, as they lack the appetite for the game, or they simply aren't good enough, no matter how leniently the handicapper treats them.
- What is the horse's temperament? Is it a genuine trier, or does it give up too easily?

Look at the favourite in each race, and see whether it should be as short-priced as the market suggests. A false favourite at a prohibitively short price will mean plenty of value horses in the rest of the field. Again, you must know what you're looking for, to spot them.

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You're using the ratings as the basis of your book. However, your interpretation of the other factors that determine the winner, will help you produce the betting tissue. That way, you're not just relying on the 'bare' figures. You could even combine the ratings with speed figures, and 'average' them out to give a more rounded view of the horse's chance.

If you look at a race with a lot of outsiders that you rate as having no chance, you could scrub them from your calculations, and treat them as non-runners. You can then concentrate on the remaining horses in the field that have a real chance of winning. This will make it easier, and quicker, to make your book for that race. Or, you could limit yourself to only making a book for races that have 9 runners or less.

This method does seem like hard work, but it does get easier with practice. Again, you need to look at each of the horses, and ask questions about how they can perform on the day. If running to their potential:

- Are the horses at the top of your ratings well handicapped?
- Are they drawn on the inside of a tight course?
- Are they running very soon after their last race, or have they been off the track for a month or more?
- Are they 'hold-up' horses, or do they lead from the front?

Asking all these questions, and more, will give you a comprehensive understanding of how each horse may run. By going through each of these factors, you will get an idea in your head of how the race will be run.

At first, you can make a list and work through it, then, as you become more used to the process, you will be able to look at the relevant factors for each horse without referring to the list. After a while, you'll find it easier to work out your bets

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by using your own judgement, in conjunction with the race-reading opinions of the experts, to come up with your own book, percentages, and minimum prices to bet.

Remember, every horse has a correct price it should be, but no bettor can be 100% accurate in determining the exact percentage likelihood of that horse winning. The difficulty is, working out what it should be to a few percentage points of the true odds.

That's where the real expertise lies. If you can make a book that will give you a close approximation of the true odds, and bet at larger odds than those, you should make money from betting in the long run.

You need only be more accurate than the bookmaker in determining those value odds to make a profit. Bookmakers aren't infallible, and they do make mistakes when pricing up a race.

## Odds & Percentages

It's always a good idea to know your odds as percentages, without having to refer to a table. Below are the odds in fractions, decimals, and their percentage probability. Try to learn them, so you are able to look at a race, and convert the odds in your head.

Odds (fractions)	Odds (decimals)	Percentage (%)	Odds (fractions)	Odds (decimals)	Percentage (%)
1-5	1.20	83.3	85-40	3.13	32
2-9	1.22	81.8	11-5	3.20	31.2
1-4	1.25	80	9-4	3.25	30.8
2-7	1.29	77.8	23-10	3.30	30.3
30-100	1.30	76.9	12-5	3.40	29.4
1-3	1.33	75	5-2	3.50	28.6
4-11	1.36	73.3	13-5	3.60	27.7
2-5	1.40	71.4	27-10	3.70	27.0
4-9	1.44	69.2	11-4	3.75	26.7
1-2	1.50	66.7	14-5	3.80	26.3
8-15	1.53	65.2	3-1	4.00	25
4-7	1.57	63.6	100-30	4.33	23.1
8-13	1.65	61.9	7-2	4.50	22.2
4-6	1.67	60	4-1	5.00	20
8-11	1.73	57.9	9-2	5.50	18.2
4-5	1.80	55.6	5-1	6.00	16.7
5-6	1.83	54.6	11-2	6.50	15.4
9-10	1.90	52.6	6-1	7.00	14.3
10-11	1.91	52.4	13-2	7.50	13.3

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1-1	2.0	50	7-1	8.00	12.5
21-20	2.05	48.8	15-2	8.50	11.8
11-10	2.10	47.6	8-1	9.00	11.1
10-9	2.11	47.3	17-2	9.50	10.5
6-5	2.20	45.4	9-1	10.00	10
5-4	2.25	44.4	10-1	11.00	9
13-10	2.30	43.5	11-1	12.00	8.3
27-20	2.35	42.5	12-1	13.00	7.7
11-8	2.37	42.1	14-1	15.00	6.7
7-5	2.40	41.7	16-1	17.00	5.9
6-4	2.50	40.0	18-1	19.00	5.2
8-5	2.60	38.5	20-1	21.00	4.8
13-8	2.62	38.1	22-1	23.00	4.3
17-10	2.70	37.0	25-1	26.00	3.8
7-4	2.75	36.4	28-1	29.00	3.4
9-5	2.80	35.7	33-1	34.00	2.9
15-8	2.87	34.8	40-1	41.00	2.4
19-10	2.90	34.4	50-1	51.00	2
2-1	3.00	33.3	66-1	67.00	1.5
21-10	3.10	32.2	100-1	101.00	0.9

As we have discussed before, one of the horses in the race is going to win, but we don't know for certain which one it will be. However, the 'true odds' book for any race will always add up to 100%.

It's easier for any punter to make a true odds book, if they know their odds as percentages. Most people know an 1-1 (evens) shot is 50%, a 2-1 bet is 33.3%, 9-4 is just over 30%, a 3-1 bet is 25%, and a 4-1 shot is 20%. But, if you want to be able to calculate a 100% book as fast as possible, it's a good idea to know the percentages of 5-2 (28.6%), 7-2 (22.2%), 5-1 (16.7%), 20-1 (4.8%), etc.

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The ability to look at a betting 'show', and be able to automatically convert them to percentages, is a great asset. Of course, if the percentage ends in a figure of .8 or .9, you can round it up to the nearest whole number. In the above example, 20-1 is equal to a percentage of 4.8, which can be rounded up to 5%. Conversely, if it ends in a figure of .1 or .2 you can round the percentage figure down to the nearest whole number.

Looking at the horses in a race, working out the percentages of the betting show, and seeing the value, is a skill that takes time to work out. Some people still can't do it after many years of practice, and others can spot the value horses within a few weeks. As with everything else, it takes practice to do it right.

If you are wary of betting on too many value horses, and your book suggests backing more than one horse in a race, you could back each one with variable stakes, relative to the returns. If you only want to back one horse per race, you could either back the value horse, which is shortest in the betting, or the horse which is highest rated in the handicap, or speed figures, etc. The choice is yours, and you may need to experiment to find out the best, and most profitable, method for you.

When you use The Alpha System and look at the early prices, and then at the SPs, you'll notice that quite a few of the horses are backed into shorter prices at the off. What the betting market is doing is showing that the formula was right to indicate a bet at a value price, and that it was correct to take the early price when the longer odds were available.

Anyone can back a horse when the big money has come in for it, which shortens the price, so that anyone can spot the gamble. Unfortunately, by then, the profit has been taken.

A method that uses accurate ratings, and then converts them into odds such as

## The Alpha System

'The Alpha System', can point you in the direction of the value horses before the money comes in for them.

Thank you for reading my manual, and good luck with your betting!