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ALL-WAYSTM NEWSLETTER

Inside This Newsletter

The 2009 Breeders' Cup

Hedging Your Bets

Call for Guest Articles

Announcements

Breeders' Cup Help

For ALL-Ways users, special ALL-Ways Handicapping Profiles for the 2009 Breeders' Cup have been posted for downloading in the User's Corner of the Frandsen Publishing Web site. As always, the profiles are free.

For non ALL-Ways users, very simple instructions have been posted on the What's New Page of the Frandsen Publishing Web site on how to access the powerful ALL-Ways Breeders' Cup handicapping factors without having to learn all about the software.

Favorite Articles Series

Frandsen Publishing will periodically publish updated PDF versions of past ALL-Ways Newsletter articles that have proven to be favorites of our readers, both ALL-Ways users and non-users alike. They will be posted in the Newsletter section of the Frandsen Publishing Web site. These "Favorite Articles" are free.

Call for Guest Articles

From time-to-time we have published guest articles in ALL-Ways Newsletters that were submitted by ALL-Ways handicappers. These articles revealed interesting and helpful information about how the ALL-Ways handicappers have used ALL-Ways to help with their handicapping and wagering. We are now inviting and requesting ALL-Ways users to submit articles to us for possible inclusion in future ALL-Ways Newsletters. And, if we publish the article, the ALL-Ways handicapper may choose a free ALL-Ways Meet Subscription Plan up to a \$250 value. Please see the last page of this newsletter for more information.

The 2009 Breeders' Cup

In a bit of déjà vu, the 2009 Breeders' Cup will be run for the second consecutive year during the Oak Tree Meet at Santa Anita. It will be run on Friday and Saturday, November 6th and 7th respectively. Once again, there will be a total of fourteen BC races with purses totaling \$25.5 million. The Marathon has been moved from Saturday to Friday. Five of the six races on Friday will be devoted to "the ladies". Six turf races will be run along with eight races on the Pro Ride

all weather synthetic racing surface that was also in place for the 2008 edition of the Breeders Cup. Prior to the 2008 Breeders Cup, we wrote that we expected both foreign horses and late running ("P" and "S") horses to do well and indeed they did. We are going to "cut to the chase", so to speak, in this article. We will focus on handicapping ideas to narrow down the fields and to spot, in advance, the high priced horses that finish in the top four positions. This includes ways to evaluate the foreign horses that, in 2008, took 15 of the top 4 finish positions including winning five races and placing in seven races. We will also present some effective ideas to use handicapping and wagering "hedge" strategies for playing the BC races. (See the "Hedging Your Bets" article in this newsletter.) Note: You do not need to be an ALL-Ways handicapper to take advantage of this information, insights and ideas.

The 2009 Breeders' Cup at Santa Anita

Friday, November 6th

Marathon	1 1/2 mile	\$ 500,000
Juvenile Filly Turf	1 mile turf	\$1 million
Filly/Mare Sprint	7 furlongs	\$1 million
Juvenile Fillies	1 1/16 mile	\$2 million
Filly/Mare Turf	1 1/4 mile turf	\$2 million
Ladies Classic	1 1/8 mile	\$2 million

Saturday, November 7th

Juvenile Turf	1 mile turf	\$1 million
Turf Sprint	6 1/2 furlongs turf	\$1 million
Dirt Mile	1 mile	\$1 million
Juvenile	1 1/16 mile	\$2 million
Mile	1 mile turf	\$2 million
Sprint	6 furlongs	\$2 million
Turf	1 1/2 mile turf	\$3 million
Classic	1 1/4 mile	\$5 million

The exact order of races each day had not been announced when this newsletter went to press.

Withstanding the Test of Time

Before reviewing the results of the 2008 Breeders Cup, we are going to re-cap the three recommendations we make every year regarding handicapping and wagering on BC races.

1. ***Pro-actively look for surprises:*** Many, and often most, of the top four finishers in BC races are a surprise to the public.
2. ***Do not over-handicap for the winning horse:*** Spend just a little time looking for the 2 or 3 primary candidates to win the race and invest most of your time identifying reasons why the favorite may not win and identifying the horses that may do better than the public expects.
3. ***Be prepared to play larger than usual Exacta, Trifecta and Superfecta Wagers:*** We think it is wise to wager on more combinations than you normally would during the rest of the year. The BC payoffs usually support this.

The BC All-Weather Surface Races

The AWS "dirt" track at Santa Anita is a typical one-mile oval with chutes for 7 furlong sprints and 1 1/4 mile routes. The theory that synthetic racing surfaces tend to "even the playing field" in terms of pace and post position biases proved to be the case at the 2008 BC run at Santa Anita and indeed at the full 2009 Santa Anita meet. Here is a look at the actual results of the 2008 BC AWS races. We look at horse running styles, at ALL-Ways designations of Key Horse Candidates and at ALL-Ways identification of the Top 10 BRIS Speed performances.

The Eight 2008 Breeders' Cup All Weather Surface Races

Style	Win	Place	Show	4th	Total
E	0	1	1	0	2/32
EP	0	2	1	1	4/32
P	5	1	4	4	14/32
S	3	4	2	3	12/32
*Foreign	2	3	0	0	5/32
Key	6/6	5/7	4/8	3/8	18/29
Top 10	5/6	7/7	7/8	6/8	25/29

Running Styles: No races were won by "E" or "EP" horses. These horses did take six of the twenty four 2nd, 3rd and 4th place positions. Closers ("P" and "S" horses) took an impressive 26 of the 32 top four positions. **Note: ALL-Ways Software uses a proprietary, highly accurate method to determine and assign each horse's "preferred" running style.**

***Foreign Horses:** The foreign horses are included in the running style figures. Running styles were assigned based on their actual running lines in the 2008 BC races. Not shown above is the fact that all five foreign horses were ranked in the top five BRIS Class figures for their race.

Key and Top 10: ALL-Ways designates select horses in a race as Key Horse Candidates. A Top 10 horse means the horse had one or more of the ten best BRIS Speed figure past performances of all the horses in the race. A horse's last five past performance races are considered for this. Some horses have more than one such performance and some horses fail to make the Top 10 List. **Three of the foreign horses did not have a start in North America. They are excluded from the Top 10 and Key Horse designations due to a lack of data.** This chart shows us that, of the six races won by non foreign horses, all six of the winners were designated as an ALL-Ways Key Horse Candidate and five of the six winners had a Top 10 BRIS Speed performance. A whopping 25 of the 29 top four finishers had one or more Top 10 BRIS Speed performances in their five most recent past performance races.

AWS Summary: Focus mainly on the closers ("P" and "S" horses). Be wary of early running ("E" and "EP") horses by demanding some evidence that they may perform well. Be wary of any horse that does not have an ALL-Ways designated Top 10 BRIS Speed performance. Give extra credit to horses designated by ALL-Ways as a Key Horse Candidate. Finally, be wary of any foreign horse that does not rank in at least the top half of BRIS Class.

For Non ALL-Ways Users

See the What's New section on the Frandsen Publishing Web site for very simple instructions on how to access these critical ALL-Ways Breeders' Cup handicapping factors without having to learn all about ALL-Ways Software.

The BC Turf Races

The six BC turf races at Santa Anita will be run on the 9/10 mile main turf course. The Filly and Mare Turf (1 1/4 mile), the Turf Sprint (6 1/2 furlongs) and the BC Turf (1 1/2 mile) will all start on the Hillside Turf Course which has a slightly downhill slope before crossing over the "dirt" track to join up with the main turf oval for the completion of the race. The Hillside Turf Course has the only right hand turn at any track in the United States. Foreign turf horses will take well to this unusual track configuration.

The Six 2008 Breeders' Cup Turf Races

Style	Win	Place	Show	4th	Total
E	1	0	1	0	2/24
EP	1	1	2	2	6/24
P	0	1	0	0	1/24
S	4	4	3	4	15/24

Top Half Turf Class

Domestic	2	1	5	2	10/14
*Foreign	3	4	0	3	10/10
Totals	5	5	5	5	20/24

Note: Running styles for foreign horses without a North American start were assigned based on their running lines in the 2008 BC races.

Running Styles: The turf races were actually more kind to early running horses ("E" and "EP") than AWS races. However, 16 of the 24 top 4 finish positions were still taken by the closers, 15 by the deep closing "S" horses..

Foreign Horses: Ten of the 24 top four finishers in the six turf races were foreign horses without a North American start, including three winners and four 2nd place finishers. Good performances by foreign horses in the BC turf races are expected.

Turf Class: Class rules in BC turf races. As the chart above shows, 10 of the 14 domestic top 4 finishers ranked in the top half of Turf Class. All ten of the foreign top 4 finishers not only ranked in the top half of Turf Class, they all actually ranked in the top 5 Turf Class horses.

Turf Summary: Favor closers, but do not ignore the early runners. Absolutely expect foreign horses to do well. Focus heavily on horses ranked in the Top half of Turf Class.

VERY IMPORTANT!

Looking at both the AWS races and the Turf races, all 15 foreign horses that finished in the top 4 positions were ranked in the top 5 of BRIS Class in AWS races and in the top 5 of Turf Class in the turf races.

Wagering on Breeders' Cup Day

Let's start this subject by looking at the actual wager payoffs in the 2008 Breeders' Cup races.

2008 Breeders' Cup \$2 Payoffs

Race	Win	Exacta	Trifecta	Super
F&M Sprint	\$ 7.60	\$ 25	\$ 97	\$ 1,467
Juv Fil Turf	24.20	350	1,798	11,593
Juv Fillies	5.20	50	156	5,078
F&M Turf	11.80	449	1,992	27,010
Ladies Classic	3.00	13	69	234
Marathon	26.80	26	1,974	7,910
Turf Sprint	75.00	786	12,369	59,326
Dirt Mile	14.60	219	3,272	39,609
Mile	5.60	27	95	604
Juvenile	9.20	39	144	1,473
Juvenile Turf	13.60	47	306	6,048
Sprint	7.40	48	125	485
Turf	13.60	107	2,813	11,244
Classic	29.00	319	4,790	20,472

Notice how some very good Trifecta and Superfecta payoffs were realized even when the winner's payoff was quite modest. For example, the Filly and Mare Turf produced a \$1,992 Trifecta and a \$27,010 Superfecta with a winner that paid only \$11.80. There are several other impressive examples as well.

Another point, while not shown in the chart, there were 10 Pick 3 payoffs comprised only of BC races. Only two were over \$1,000 (\$10,522 and \$2,364). The other eight Pick 3s averaged only \$391. Compare this to Trifectas where 7 of 14 payoffs exceeded \$1,000 and Superfectas where 11 of 14 payoffs exceeded \$1,000 including nine above \$5,000. **The marketing department at Santa Anita confirmed that there will be ten cent Superfecta wagers available at this year's Breeders' Cup!**

And, our wagering recommendations for the 2009 Breeders' Cup are...play Trifectas and Superfectas with more combinations than you would normally play and use the Exacta hedge strategy described in the next article to keep wager sizes within reason.

Hedging Your Bets

The concept of "hedging your bets" is certainly one of the oldest betting strategies in horse racing. When used properly, it is, in our view, one of the most powerful tools horse players have to play the races profitably. However, it is also one of the least understood concepts and, consequently, one of the most neglected and underutilized. In this article, we are going to shed some light on hedging by looking at the multitude of ways this general concept can be used to help make money at the track.

What Is Hedging All About?

At the most fundamental level, a hedge bet is generally considered to be an "insurance wager", sometimes referred to as a "saver bet". Perhaps the most frequently used and best examples of hedge wagering are multi-race wagers such as Pick 3s and Pick 4s. Let's say you have a \$1 Pick 4 ticket that has a total cost of \$72 and that your selections won the first three legs of the four race wager. Now suppose you have two horses in the final leg of the Pick 4. However, there is a third horse in the final leg that worries you a lot, a horse you left out of the wager in order to keep the cost down. When you look at the "will pays" you see that if one of your picks wins the final leg, your payoff will be \$600. If your other pick wins, the payoff will be \$840. If the worrisome horse you left out actually wins the race, your payoff will be zero. Now, let's say the worrisome horse is going off at odds of 6 to 1 meaning it will pay \$14 to win for a \$2 bet. One way to hedge your active Pick 4 wager would be to bet \$20 on the worrisome horse to win the final leg. Now, if your first or second pick wins, you are paid \$600 or \$840 respectively as described above. But, if your worrisome horse comes in, you will now be paid \$140 instead of zero.

This is a pretty straightforward example of a "saver" hedge wager. Let's widen our thinking now to explore the multitude of ways the concept of hedging our bets can help us "turn a profit" at the track. Have you ever said or heard another horse player say something like "I had that horse in the show position, but not in the place position." or "I had that horse under, but not on top." or "If I had added that horse, it would have made the wager too expensive." or "I found that long shot, but didn't make a dime on it"? Good hedge wagering strategies can make many of these "woulda", "coulda", "shoulda" laments a thing of the past.

Three Hedging Considerations

Before we look at specific types of hedge wagers, we thought it would be helpful to review three things that will influence your handicapping process and final wagering decisions. These three considerations are: 1) the timing of the wager; 2) hedge oriented handicapping and 3) "saver" versus "prime" hedge wagering decisions. We are going to look at these considerations in reverse order.

"Saver" versus "Prime" Wager Objective

A "saver" hedge wager is basically an insurance wager. You still want your prime wager to work because it is the wager aimed at making a nice profit. The objective of the "saver" hedge wager is to at least get back the costs of the prime and hedge wagers in case the prime wager does not work. The example discussed earlier regarding the final leg of an active Pick 4 ticket is a "saver" hedge wager. In the example, your preference is obviously to win the Pick 4 with payoffs of \$600 or \$850. If the Pick 4 does not work, you want the winning horse to be the horse in your "saver" hedge wager where you would collect at least \$140.

On the other hand, your hedge wagers can actually be part of your "Prime" wagers. In this case, you generally bet amounts on each part of the wager such that you will win approximately the same amount of money regardless of which of your individual wagers actually wins. For example, let's say you make a two horse win wager with one of your horses going off at 4 to 1 and the other going off at 6 to 1. The 4 -1 horse will pay \$10 to win for a \$2 wager and the 6-1 horse will pay \$14 to win. In this case you might wager \$20 on the 4-1 horse and \$14 on the 6-1 horse to win \$100 if the 4-1 horse wins and \$98 if the 6-1 horse wins. This is called "dutching" the wager. These "dutched" prime hedge wagers always work best when you have a good idea of the potential payoffs so you can determine the amount to wager on each of the potential outcomes. This makes these wager strategies particularly well suited for Win, Exacta and Daily Double wagers.

Hedge Oriented Handicapping

Your normal handicapping process should get you to the point of what you think will be the primary outcome of the race. For example, you may think the Exacta will be Horse A as the winner and Horse B as the place horse. This would be your primary Exacta wager. Now comes the hedge oriented handicapping part. There are two issues: First, how confident are you that the A/B Exacta will be the outcome? Second, what are the most likely scenarios if the A/B Exacta does not come in? You may determine that if Horse "A" does not win, it would more than likely get beat by Horse "B". You may also determine that Horse "C" may be able to beat Horse "A" or Horse "B" but not both of them. In this case you would want Horse "C" only in the place position. In this scenario, you would play the following Exacta combinations: A/B, B/A, A/C and B/C. The next step you would then take is to determine if all four of these combinations are part of your prime wager, in which case you would "dutch" the wager by betting an amount on each combination that would yield approximately the same payoff. Or, you could decide that the A/B and B/A combinations are your primary wagers and that the A/C and B/C combinations are "saver" hedge bets, so you wager just enough to get back the overall total cost of the wagers.

Timing of the Wager

It is always best to have a good handle on the probable payoffs associated with the prime and hedge wager(s) you are working on and to do so pretty close to post time so the payoff figures hold up. So, leave yourself enough time to look at payoffs that apply such as win odds and probable payoffs for Exacta and Daily Double combinations. If you are considering hedging the final leg of an active Pick 3 or Pick 4 wager, you will want to look at the "will pay" figures for the final leg horses. In any event, you will want to make sure you allow enough time to complete your prime handicapping, your hedge handicapping and to structure your prime and hedge wagers. These efforts do take thought and time.

The Best Hedging Opportunities

At this point, we are ready to look at some very specific ways to use hedging to play the horses and make a profit doing so. In the balance of this article, we are going to look specifically at the following:

- Hedging Win Wagers
- Hedging Exacta Wagers
- Using Exactas to Hedge Trifecta and Superfecta Wagers
- Using Doubles to Hedge Pick 3s and Pick 4s
- Hedging Final Legs of Multi-Race Wagers

Hedging Win Wagers

There are two ways to hedge win wagers that we have found to be particularly effective. One is to make a two horse win wager and "dutch" the amount bet on each ticket so regardless of which horse wins, the payoffs will be similar. Earlier, we showed a 2 horse win wager where we bet \$20 on a 4 to 1 horse and \$14 on a 6 to 1 horse which would generate \$100 or \$98 payoffs respectively.

The second way we have found to be effective is a wager we call the Win/Insurance Wager. We introduced this concept in ALL-Ways Newsletter #40. This calls for a betting ratio of \$2 on the horse to win, \$4 on the horse to place and \$12 on the horse to show. Assume the win, place and show payoffs were \$10.20, \$5.30 and \$4.00 respectively. If the horse wins the total payoffs would be \$44.80. If the horse places, the total payoffs would be \$34.60. If the horse shows, the payoff would be \$24, enough to get your \$18 wager cost back plus a small profit.

Hedging Exacta Wagers

The Exacta wager is one of the most frequently played wagers in horse racing and, in our opinion, presents some of the best opportunities for hedge handicapping and hedge wagering. There are a host of reasons why this is so:

- First, it is easy to get a handle on the probable Exacta payoffs.
- Second, the Exacta is considerably less complex to hedge than Trifectas and Superfectas. In fact, a little later on we are going to show how to hedge Trifectas and Superfecta wagers using Exactas.
- Also, many players make inefficient 3, 4 and 5 horse Exacta box wagers. Good hedge handicapping and hedge wagering can help you avoid these "boxed" wagers.
- Still another reason is that Exactas lend themselves very nicely to using pace handicapping in selecting "prime" and "saver" combinations.
- Finally, Exactas are easy to "dutch".

Continuing with the example we showed earlier in the "Hedge Oriented Handicapping" section, here is a chart that shows how we might "dutch" the Exacta wager.

Combo	A/B	B/A	A/C	B/C
\$2 Pays	\$24	\$36	\$48	\$68
Bet	\$ 6	\$ 4	\$ 3	\$ 2
Payoff	\$72	\$72	\$72	\$68

In ALL-Ways Newsletter #50, we make the case that horse players should become "expert at something" and that the Exacta wager was a great place to start. When you add hedge strategies, Exactas become a reliable source of consistent profits.

Using Exactas to Hedge Trifectas and Superfectas

Consider this strategy for wagering on the 2009 Breeders' Cup races.

Playing straight Trifecta and Superfecta tickets, such as an A/B/C/D Superfecta, rarely work. And, playing Trifecta and Superfecta boxed wagers is generally a losing financial proposition. Trifecta and Superfecta wagers lend themselves to the benefits of hedge handicapping and hedge

wagering. **Now, this may be the single most important concept we present in this article on hedge wagering: Consider using Exacta wagers as hedges for your Trifecta and Superfecta wagers.**

There are two good ways to approach this:

First, consider an Exacta hedge bet consisting of the win and place horses that are in your Trifecta and Superfecta wagers. This will help in situations where you lose the Trifecta because of a missing show horse or you lose a Superfecta because of a missing show and/or 4th place horse. Let's say you have a Superfecta wager that looks like this:

AB/ABC/ABCDEF/ABCDEF

A \$1 Superfecta like this would cost \$48. In this case, we would play an Exacta hedge wager of AB/ABC, with the wager amount determined by the probable Exacta payoffs. We would want to bet an amount that would net at least our \$48 Superfecta wager cost in the event the "D", "E" and "F" horses did not come in 3rd or 4th.

Here is a second way. Let's say you have a horse or horses in the Trifecta show position or Superfecta show and/or 4th position that you are concerned may finish in the place position. But, if you add them to the place position, the Trifecta or Superfecta wager would be too expensive. This situation happens time and time again. In this case, consider adding the horse(s) in the place position of an Exacta hedge wager. In the example above, you could play an Exacta AB/DEF. You can do this relatively inexpensively in an Exacta and it can provide for a solid "saver" hedge bet. Think about this! You may not be willing to play the Superfecta with the "D", "E" and "F" horses in the place position because the cost of the wager would increase from \$48 to \$120. Using the AB/DEF Exacta "saver" hedge wager actually helps you make your prime Superfecta wager. This is a very helpful Breeders Cup wagering strategy.

Using Doubles to Hedge Pick 3s/Pick 4s

Here we have a situation similar to using Exactas to hedge the win and place positions in Trifectas and Superfectas as described above. More and more tracks now have rolling Daily Double wagers, meaning there is a Daily Double wager available in every race except the last race on the card. This situation lets us use the Daily Double as a hedge against the first two legs of Pick 3s and Pick 4s. If you leave dangerous horses out of the first and/or second leg of a new Pick 3 or Pick 4 wager, most likely because of the increase in the cost of the ticket, consider including the horses in some combination as part of a Daily Double hedge wager. Once again, you can see the probable payoffs of all Daily Double combinations which makes it relatively easy to determine if the hedge wager makes sense.

Hedging Final Legs of Multi-Race Wagers

We have now come "full circle". We actually used this wager earlier in this article as an example of a hedge bet in the section titled "What Is Hedging All About?"

Summary: Hopefully, this article has pointed out the many ways hedging can be used as an effective handicapping and wagering strategy. Our favorite is to use Exacta "saver" hedge wagers in support of our prime Trifecta and Superfecta wagers. The 2009 Breeders' Cup would be a good time to give this strategy a try.

Call for Guest Articles

Some of the most helpful articles published in ALL-Ways Newsletters over the years have been written by ALL-Ways handicappers. We are now inviting and requesting ALL-Ways users to submit articles to us for possible inclusion in future ALL-Ways Newsletters. We would like to learn "tips and techniques" on how ALL-Ways handicappers have integrated, "in real life", the use of ALL-Ways software into their handicapping and wagering process. **If we publish your article in a future ALL-Ways Newsletter, you may choose one free ALL-Ways Meet Subscription Plan valued up to a \$250.**

We would like to receive articles with somewhere in the range of 1,500 to 2,000 words. Although it is not required, we prefer receiving the article in electronic format, preferably via e-mail sent to FrandsenPublishing@Comcast.net. The article can also be mailed to Frandsen Publishing Corporation, PO Box 1439, Minnetonka, MN 55345. If you submit an article, please include your name, address and phone number. We will respond to everyone who submits an article so they know if the article has been selected for publication.. Our goal is to publish several of these articles in future ALL-Ways Newsletters. To ALL-Ways handicappers we say, in advance, "Thank you for your participation and support."

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