

***HTR Monthly Report***  
**Thoroughbred Handicapping Newsletter**  
**April 2004**

Brought to you by –  
*KM Software*  
Handicapping Technology and Research

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KM Software 2004

*News for HTR Users***Orleans Spring Tournament**

The spring edition of the Championship at the Orleans took place March 25-27 at the Orleans Hotel in Las Vegas. My count had 17 HTR subscribers taking part and four of them took home some decent cash (see below). As always, we learn a great deal at these tournaments because of the unique opportunity to network with others and focus with great intensity on handicapping and finding good priced winners.

This tournament brought up some interesting issues that are discussed in further pages this month:

- The Orleans has announced a blockbuster \$1-million (televised?) tournament titled the "World Series of Handicapping" that will take place, not coincidentally, the same weekend as the NTRA National Handicapping Championship. More on this on page-3.
- Our seminar is now right in the middle of the excitement as the Gold Coast Tournament will likely be the format used at the "World Series..." and there will be 35 complimentary qualifiers from the Gold Coast finishers in July. More on this and our seminar on page-4.
- We'll review the Orleans tournament winners and discuss possible strategies. I talked with nearly all our users and many of them mentioned the clear recognition of concentrating play on the top-4 (K) as a more consistent game-plan than merely stabbing at bombs. More on this on page-5.

More than 800 entries were in action this time, which is the largest turnout since October of 2000 when the Orleans drew a record 900+. The first prize was well over \$125,000. The eventual winning players scored the usual 10,000 or so points to get the top prize, yet the scores were relatively lower than normal for those finishing 2nd - 40th. Not many 'cap' (\$42 or more) payoffs during the three day contest which featured races from AQU, LRL, GP, FG, HAW, OP, SA, & GG in a Win-only format.

Most of us did pretty well and were in good position throughout the tourney with competitive points. A \$40 horse at GP on Saturday (race-9) was a key selection for most of the HTR players as it was for the tournament winners as well. But only four of us managed to cash in despite the point deflation this time =

Doug Craft (San Clemente, CA) was our best finisher in 13th place. He took home \$4,000+ for his 6,500 points which included the GP-9th race on Saturday. Doug is a very consistent tournament player who commented favorably on the new SOR as a key to some of his selections (subtle drops in class).

Bernie Stroum (Las Vegas) finished 17th and received the same \$4000+ prize money as Doug and all those finishing in positions 11-20. Bernie also hit the \$40 horse from GP and is one of several who now believes in sticking to the top rated (K) horses for finding higher-percentage overlays in lieu of stabbing at 50/1 shots (see page 5).

Ronnie Hopkins (Lexington, KY) made a nice comeback and finished in 41st position after a zero showing on the first day. He also picked up some 'day money' on Saturday and took home about \$1500 total. Ronnie has been collecting decent cash from every trip he makes to a tournament lately!

Daven Turner (Buckfan from Columbus Ohio) connected on the final day with the tournament's biggest winner; OP-8 at \$140 and piled up enough points on a zero ticket to collect \$1000 day money for finishing 3rd best on Saturday.

Nice going and congratulations guys. Doug, Bernie and Ronnie also receive an automatic qualifier to the "World Series of Handicapping" for finishing in the top-50. All are expected back for the Gold Coast tourney in July as are most of the other HTR players present at the Orleans.

*News for HTR Users***The World Series of Handicapping Set for January 2005**

A few weeks ago a single post on the Pace Advantage discussion board mentioned something about a televised \$1-million handicapping tournament to be held at the Orleans next year. This was almost too good to be true and most of us disbelieved the rumor. Yet when we registered for the Orleans Championship on Wed March 24, we were all handed a surprise flyer asking us to show up in the tournament room at 9am the next day for a "very special announcement that will be big news for tournament players....." to be heralded by Coast Casinos top management with champagne for everyone!

The rumors were rampant that Wednesday evening about the possibility that the million dollar tourney would actually take place. Everyone was talking about it and the Orleans had done a pretty good job of keeping a tight lid on their big secret as no one really knew what was coming including most of the people that worked there.

Thursday morning came the blockbuster announcement that the Coast Casinos would be holding a "World Series of Handicapping" at the Orleans from Jan 27-30 next year. The purse would be \$1-million and the winner would receive \$500,000. More than 1,000 players were expected. The event was to be televised and heavily publicized, but no details were given about the media deal. The format was to be determined by a survey of players taken during the Orleans and other upcoming tournaments (including the Gold Coast). It was made clear that any interested player would be allowed to participate either by earning a free spot through qualifying events "held around the world" and in Las Vegas or by paying a fee to enter. No horseplayer would be excluded from this opportunity.

**NTRA- NHC Tournament Now a Moot Point?**

The ramifications of this are huge for a thoroughbred industry badly in need of a shot in the arm. No doubt the surprise success of televised poker tournaments was part of the marketing angle. More obvious though was the clear message sent to the NTRA with a direct slap in the face to the annual DRF/NTRA National Handicapping Championship (NHC). First and foremost is the large purse structure that dwarfs the paltry prize money (except the winner) awarded at the NHC. The dates chosen in January 2005 were probably the same weekend that the NHC would take place. No question that this was deliberate.

The new "World Series of Handicapping" is perhaps most brilliantly marketed in terms of the participation angle. No willing player will be denied an entry and the free qualifying system is wide open. The top-50 at the Orleans were awarded a spot, and the top-35 at the Gold Coast will go. Any player entering three or more of the five 'Coast' contests in 2004 will be allowed an entry for \$1000. But anyone can buy into the big dance with no pre-conditions for \$2000. Only one entry per person will be taken for the finals. Wagering format will be determined by player survey, not dictated by the host, so the unpopular mandatory-race policy used at the NHC will not likely be part of the contest.

The NTRA had announced that the NHC would now see a reduced field with fewer qualifying attempts at a higher cost to the hosts. The 265-players at the 2004 Bally's NHC were stuffed into a small space and forced to compete in the wagering lines with the regulars in the race-book to get their contest slips in. The reduction in players was logical for crowd control at Bally's, yet woefully unfair to so many players that have never qualified despite running around all over the country to gain a shot. The Orleans has no such problem with handling a thousand or more participants in their large ballrooms that are upstairs and away from the general race and sports book. The open participation policy for the new "World Series...." will be a sigh of relief to hundreds of horseplayers have tried over and over to qualify for the NHC but have never been lucky enough to get in.

HTR subscribers have long been prolific supporters of the Orleans and other Coast contests with their participation over the last 5-years. I expect to see as many as 40 of us in the new championship event next year competing for the massive prize money. It will be interesting to see how the NTRA responds to this overwhelming challenge and how many players will remain interested in qualifying for the NHC.

*News for HTR Users***HTR Annual Seminar 2004**

We have been confirmed for our annual seminar by the Gold Coast hotel in Las Vegas. The meeting and workshops will take place on Wednesday July 14. We are still planning the itinerary and seminar logistics. Below is a tentative schedule information.

**What**

HTR Annual Seminar 2004 with Ken Massa (software and application); Tom Walters (wagering strategies); Don Nadermann and Mike DeRienzo (power database workshop).

**Where**

Gold Coast Hotel in Las Vegas (meeting room TBA).

The room we have reserved is listed as "classroom style" with seating for 40 or more.

**When**

Wednesday July 14, 2004 from 12:30pm - 10pm

Follow up, individual consultation and group meetings all weekend.

**Who**

HTR subscribers, friends, spouses and interested handicappers. Everyone is welcome. Bring your laptop.

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The Gold Coast tournament is being held the Thu-Fri-Sat the day after the seminar. Entry fee is \$400 and the wide open win-place format is excellent for HTR players. The top-35 finishers get an automatic free qualifier to the "World Series at Handicapping". Rooms for tournament players are discounted to under \$50/night that weekend. However, entry into the tournament is in no way a requirement to attend the seminar; neither is it necessary to stay at the Gold Coast hotel. In fact it may be difficult to secure an inexpensive room at the Gold Coast if not entered in the tournament - my suggestion is to check the Internet for hotel deals at the nearby Orleans, Rio, Palms, Stardust or Circus.

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**Cost**

The fee is \$20 for KM's main software seminar and Tomcat's wagering class. First come-first serve for seating, no reservations. No need to send in any money early, you can pay at the door. There will be a \$10 charge for the Tournament class with all the money returned in cash prizes. There will also be a small fee of \$10 for those that attend Don Nadermann and Mike DeRienzo's Access and database workshop. Maximum out of pocket is \$40 if you attend every class. All proceeds will be used to pay expenses for the seminar hosts. There is no profit for HTR or myself. Below is a very early itinerary. We have the room reserved from 12:00noon to 10pm and that allows us more latitude and less worry about rushing any session.

**Tentative Schedule**

**12:00 noon:** Meeting room open, seminar hosts and helpers setup.

**12:15pm:** Participants begin seating. Welcome, news and overview.

**12:30pm:** Introductions, history of HTR software and 10 year anniversary reminisce.

**12:50pm:** Main seminar with KM. Software, analysis and new tools and advanced handicapping.

**2:15pm: (Optional):** Tom Walters - wagering strategy class.

**3:00pm (Optional):** Tournament Workshop / \$10 fee paid back in prizes - strategy for Gold Coast tournament - handicapping contest and cash prizes. Real races will be analyzed for a skillful outcome.

**4:00pm (Optional):** \$10 fee/ Naderman / DeRienzo Access and database workshop. No time limit this year, we have the room through 10pm bring your laptop with MS Access ready. Donnie and Mike will offer you more details as we get closer to the event including the Access version needed. Ron Tiller from HDW is hoping to attend and can answer your questions regarding our files, Equibase, etc.

**All day and all weekend:** Q & A, consultation, group interaction, casual meetings and discussion.

*Tournament Strategy***Orleans Scoring in Retrospect -- Devising a Tournament Game Plan**

Let's take a look at the top point producing winners during the Orleans March 2004 tournament. I list the (K) rating for each along with the Vi and \$ and \$\$ to see how many of these winners we might reasonably have picked up. I'm using PL-5 for all the stats to remain consistent, but you'll notice that many of the best prices come from Maiden Claiming and Turf races that fare much better with PL-2 or PL-4. Check it out for yourself - these races took place from Thurs 03/25 - Sat 03/27.

Race	Type	Vi	Winner	Points	(K)r	\$	Flag/FTS
27Mar	OP-1	M15	[4] Lady V	3096	9	No	
26Mar	OP-7	M12	[5] Stillg	2140	6	No	
27Mar	GP-9	Nw1(T)	[4] Carrot	2010	3	\$\$	
27Mar	AQU-5	Nw1	[4] Choreo	1980	4	\$	
27Mar	GP-12	Nw1(T)	[9] Awesom	1840	8	\$	
26Mar	LRL-3	M10	[1] Onioma	1810	7	No	FTS
25Mar	SA-2	STR	[2] Sharp	1790	7	\$	
26Mar	AQU-9	C12	[9] Our So	1590	5	No	
26Mar	FG-5	M25	[7] Lucky	1590	6	\$	
26Mar	HAW-1	C08	[2] Whata	1530	6	\$	
27Mar	HAW-9	Nw1	[4] MissD	1420	5	\$	
26Mar	OP-8	C35	[9] Roadsi	1410	4	No	
25Mar	GP-9	M25	[5] The Wa	1290	5	No	
25Mar	GG-1	M16	[5] Tender	1250	2	No	
25Mar	OP-3	C15	[2] Marluk	1230	5	\$	
26Mar	HAW-8	C04	[2] Bandid	1200	6	\$	
25Mar	OP-5	STR	[8] Luck A	1190	6	\$\$	
27Mar	LRL-4	Msw	[1] Racing	1120	2	No	
25Mar	SA-8	M40	[9] Lunar	1120	5	\$	FTS
27Mar	OP-5	M15	[7] Belle	1110	9	No	FTS

As the list continues - a considerable number of horses won each day in the 6/1 - 9/1 range and returned 700-1000 points. The majority of those were top-4 (K).

Veteran players of the Orleans tournament can immediately see a shallow pool of potential point producers in this contest. There were only three winners during the entire 3-day contest that scored above 2000 points. Compare that to the 17 such winners during the October edition of the Orleans. My guess would be that 6 to 12 winners at 2000+ points is normal for this tourney. The overall scoring from the 2nd to 40th place finishers were definitively lower than normal this time. The key horse for those using HTR was the 27Mar GP-9 \$40 winner that was a clear "gimmee" play combining (K)-3 and \$\$ . Other than that one obvious horse, it was hard to string together 6000 points or more from the winners on this list - only 22 players out of 801 managed to do it, including two from HTR.

The broader question for a tournament game plan is whether the player should stick with using overlays in the top-4 (K) in order to insure a competitive score or shoot for the 2000+ point score every time and go for the win. The answer is clear. To win the Orleans you need about 10,000 points. The percentages of this game make it nearly impossible that you can hit ten 1000-point horses in 36 tries (27% winners at avg. odds 9/1). But scoring with 5-7 such horses is reasonable and would garner a cash prize, but not a \$100,000 payday. If you want the win - the whole enchilada - there is almost no choice but to shoot for 5-7 winners that pay 1500 points and higher.

We'll discuss strategy and the differences with playing the Gold Coast Win-Place tournament format at the seminar on July.

*Handicapping Angles***Workout Rating - Negative Approach**

Last month in this newsletter we discussed the many positives that occur when the HTR2 Workout Rating (Wk) is partnered with almost all factors. I have mentioned that the conception of the Wk was to uncover highly productive fitness patterns only. Low workout scores may not be indicative of anything. We know that workouts are not always reported accurately and some works are done in stealth on purpose by sneaky trainers. Not to mention that the reported information is often incomplete, missing or inaccurate, particularly at minor tracks. The major tracks have a great deal of scrutiny in the morning though and most horses that are running for larger purses are observed and recorded correctly.

Workout scores above 80 seem to indicate good fitness and a positive correlation to other factors. What do we make of lower scores below 80 though? The range between 75-79 seems to be a gray area for analysis, there may still be some value to notice a horse with a Wk rating from 75-79 if it is the top ranked Wk in that field. Below 75 there is definitely nothing positive according to my research regardless of the ranking. On the other hand, does it hurt the horse? I tested several factors to find out.

The tests below involved horses with workout ratings 0-74 only. Let's start with the group that is probably of the most interest - the favorites.

**MLO 1-2 combined with Wk 74 or less - All Races**

<b>MLO-rank</b>	<b>Plays</b>	<b>WINp</b>	<b>WPP</b>	<b>ROI</b>
1	42647	29%	48%	0.79
2	46645	18%	37%	0.77

**Analysis**

There is some evidence here that top ML favorites lose statistical strength as a result of having a poor Wk rating. The win% and ROI drop a couple of points from normal expectation. One of the ML 1-2 ranks will become the post-time favorite more than 90% of the time; so it is probably worth some money in the long run if you require that any low odds horse you are keying or betting on has a positive workout number over 80. Higher class races and Graded Stakes will often feature many entrants with excellent work ratings from 85-99, so it may be a wise play to bet against a low odds contender with a noticeably lower Wk score than its opponents.

Now a look at the (K) rating when the top-ranks have a low workout number.

**K-rating combined with Wk 74 or less - All Races**

<b>K-rank</b>	<b>Plays</b>	<b>WINp</b>	<b>WPP</b>	<b>ROI</b>
1	42253	29%	49%	0.86
2	43181	19%	41%	0.81
3	44186	14%	30%	0.76
4	44723	11%	24%	0.77
<b>K110+</b>	10718	38%	60%	0.89

**Analysis**

Here again, we see a slight decline statistically, yet it is not dramatic. The sample size is large enough to believe a trend and a minor negative impact on the performance of low-odds horses.

**Conclusion**

I tested all the other major factors found on the HTR2 Test screen. As expected, there was a slight loss statistically in almost every case and none of the ROI exceeded 0.85. The conclusion seems obvious --- the lack of a positive workout rating relates a mild tendency for lowered performance. It would never be wise to plunge or single a low-odds favorite without a positive work pattern.

*Systems and Angles***Workout Rating and Jockey Change**

*MikeDee* (Mike DeRienzo, Cleveland, OH) was kind of enough to run some statistics through his Access database while I was at the Orleans tournament in Vegas. In this first test we wanted to see if a jockey switch combined with a positive workout would have a positive impact. Here is how Mike setup the test using HX4 ==>

Sample was taken for last 365-days, any track, but no wet dirt or races with purse less than \$10,000.

**nSURF** = 1,2 (Fast dirt or turf)

**nPURS** => 10 (Purse is \$10,000 or greater)

**nWKSC** >= 83 (Workout Rating 83 or above)

**nJKCH** = 0 or 1 or 2 (No Jockey Switch; Not Positive Jockey Switch; Positive Jockey Switch)

Let's get clear on the meaning of the jockey switch codes. Within HTR2 you'll find symbols next to the jockey name. An (+) indicates a "positive" switch. This means the new rider has either won with the horse in the past or is a top rider on the circuit with a rating over 300. The (#) tells us that a jockey switch is taking place but has not been identified as "positive" from the guidelines above. No symbol means the jockey is the same as last outing and there is no switch. Mike tested the non-switchers with Wk >= 83 as well so we could benchmark the performance of those switching

What intention can we surmise from positive workout pattern and a jockey change from the trainer's point of view? If there has been a mild layoff of 28-60 days, this usually indicates that all the workouts in the recent good pattern have occurred since the last start. It is also probable that the new rider has been aboard for one or more of those exercises in the morning. The combination of the freshening, strong work pattern and newly selected jock is worth a second look every time.

We did not specify a layoff with the test sample below and used all qualifying horses in order to keep the sample large with the jockey changers. But on page-8 there is a rundown of the effect of the positive workout pattern with various layoff categories.

<u>Workout 83+    Any Track    Purse \$10,000 or more</u>						
<u>Jockey Switch / Code</u>	<u>Plays</u>	<u>Win%</u>	<u>ITM%</u>	<u>ROI</u>	<u>Long(\$15+)</u>	
(0) No Switch	8787	16%	43%	0.82	172	
(1) Switch	7164	11%	34%	0.86	206	
(2) Positive Switch	4177	17%	44%	0.90	095	

Analysis

The (2) group sample - positive jock change - turned out to be a very healthy indicator as compared with the other two categories. The modest win percentage (17%) combined with an ROI of 0.90 shows us that while the public is always aware of jockey movement, they are completely in the dark about the positive work pattern combination here.

One of the problems I have with trainer stats and data is the lack of context for the move. Examples -->

Trainer w/ Blinkers On    Trainer w/ 1st after a 45-90 day layoff    Trainer w/ First Time in Route

We do not get information with these and similar statistics that tell us whether a specific horse has responded to the change -- *before the race*. All we know is a percentage of time that the move worked for the trainer after the fact. Changes such as Blinkers, Freshening and Surface Switch are not after-thoughts; they are deliberate experiments to help the horse deal with physical challenges of racing. The workout rating may be the only instrument to help understand if the changes are having an effect prior to the race.

*Systems and Angles***Workout Rating + Trainer Performance**

MikeDee next tested a strong workout rating (83+) with the 365-day trainer performance rating (Trn) at various ranges to determine if the workout can be correlated to the strength of the conditioner. We need to review a bit of logic related to both items before trying to make sense of the results.

- The development of the workout score (Wk) was configured entirely separate from the trainer or any other ancillary factors. The workout pattern alone was correlated with positive race performance and no regard for the connections or other factors was considered. So the question we must ask is whether or not the majority of higher Wk scores come from the highest rated trainers or whether the scores and patterns are universal to all trainers and show similar results.
- Trainers rated above 350, and especially those rated > 400 (super trainers) obviously win at a far higher clip than the average conditioner. If the good workout scores tend to be associated primarily with the top trainers, then the Wk becomes a trickier read if it is merely a function of the trainer win rate. Naturally we expect a higher rated trainer to show statistically superior win rates with any factor, so the ROI is key to understanding whether the Wk is able to hold its own in spite of the trainer's own strength or weakness.

**Trainer Rating + Workout Rating >= 83**

<b>Trainer Rating</b>	<b>Plays</b>	<b>Win%</b>	<b>ITM%</b>	<b>ROI</b>	<b>Longs (\$15+)</b>
400+	1002	25%	55%	0.87	009
399-350	2041	21%	49%	0.87	038
349-300	3970	17%	47%	0.79	067
299-200	8622	14%	39%	0.83	203
199-050	4493	10%	32%	0.93	156

Analysis

What can we make of the mixed bag of information above? We can start by noting that the typical benchmark ROI for the generic trainer rating is between 0.80 - 0.85. The stick out number for this chart is the 0.93 ROI achieved when combining the weakest group of trainers (050-199) with a positive work score (83+). The win rate with this group is a meager 10%, but that is actually an improvement over their normal results. The number of longshots as a percentage of all winners in the 050-199 group is very large though and a testament to the efficiency of the positive work pattern to give these "bad" trainers a live shot - there is no other factor in HTR that can pump it up this well.

The super trainers (400+) win at their usual high rate (25%) and the ROI when combining the workout is slightly better than in a generic test. Same goes for the 350-399 range. Interesting that we see no gain in using the workout rating with trainers rated 200-349. Why would that happen?

There are always problems with statistical understanding when multiple numbers of the target test group are present in each race. This would be typical for trainers rated in the average range between 225 - 325 as we will often find two or more of them with good Wk ratings in the standard 9-10 horse field. In contrast it would be rare to find Wk(83+) multiple times with the highest and lowest rated trainers in the same race.

We can't spin too much good news for the workout rating when it is related to general trainer performance. The stats are not enlightening except for high-priced surprises among the weakest group of trainers - but that seems to be a clear function of the strength of the Wk alone.

*Advanced Handicapping with HTR2***The Challenge of Picking First Time Starters**

First Time Starters (FTS) are easily the most perplexing aspect of betting thoroughbreds for most horse-players. Unexpected winning first-timers are so often the downfall of p3, p4 and p6 that many handicappers simply put them all on the ticket instead of struggling with it. Exotic payoffs of any type are tremendously influenced when a longshot FTS finishes in-the-money as the public tends to overload on the known element or tag along with insider heavy betting.

One good aspect about rating first time starters is that there are relatively few handicapping factors we need to deal with. The HTR2 workout score would seem to be an ideal avenue for uncovering live first-timers. We'll investigate it here along with the other elements that might help us including pedigree (PED) and Trainer (TRN).

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Before we begin let me set the parameters I used for all the tests below. I used Mcl and Msw races with a purse of \$10,000 or more and Fast-Dirt Sprints for this analysis. More than 95% of FTS make their debut in these dirt sprints. Wet tracks and dirt routes are not good opportunities for FTS and they are rarely entered or compete well in them. Grass races for maidens are a growing area and need a special study of their own, particularly with pedigree. A handful of first timers do show up in non-maiden races from time to time, but I chose to ignore them as they are very unusual.

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Let's begin our analysis of FTS by looking at the dismal returns you can expect if wagering public favorites making their debut. Obviously this group includes the so-called "steam horses" and the "tote action" bet-downs; unknown first-timers that comprise the main curtain of secrecy for those that still believe "inside information" is still profitable. There is zero statistical evidence to make the case that heavily bet first timers are making money for owners, trainers and backstretch workers 'in the know'.

**First Time Starters / Msw and Mcl Fast-Dirt Sprints / Purse \$10,000 or more**

<u>Item</u>	<u>Win%</u>	<u>WP%</u>	<u>ROI</u>	<u>Longs%</u>
<b>Tote Favorite</b>	<b>30%</b>	<b>48%</b>	<b>0.77</b>	<b>00%</b>
<b>2nd Favorite</b>	<b>21%</b>	<b>35%</b>	<b>0.80</b>	<b>02%</b>

Not only is the rate of winners a bit lower than with generic favorites (normal is 33%) the return is absolute poverty. The lousy ROI is due to mass hysteria and over-betting on what appears to be a good thing insider bet-down. The reality is that first time starters are always at a disadvantage simply due to their inexperience. All thoroughbreds have to play the rookie and make that first start, but even those with the most talent often flounder in the debut race at low odds as they learn the game. There are no secrets when a well-bred fast working youngster from a top barn is entered in the maiden sprint - everyone expects it to win and they bet it as such, but they don't win often enough to make us any money.

Here is the (K) rating test results with FTS ==>

**K-Rating / FTS Only / Msw and Mcl Fast Dirt Sprints / Purse \$10,000+**

<u>Item</u>	<u>Win%</u>	<u>WP%</u>	<u>ROI</u>	<u>Longs%</u>
<b>K-1</b>	<b>29%</b>	<b>49%</b>	<b>0.80</b>	<b>01%</b>
<b>K-2</b>	<b>22%</b>	<b>40%</b>	<b>0.84</b>	<b>08%</b>
<b>K-3</b>	<b>16%</b>	<b>30%</b>	<b>0.75</b>	<b>14%</b>
<b>K-4</b>	<b>11%</b>	<b>23%</b>	<b>0.76</b>	<b>30%</b>

The (K) rating is nearly as effective as the toteboard at finding winning FTS in terms of percentage. The ROI is nearly as bad though and there are big losses to be absorbed if betting on top rated FTS. This is due to the fact the K-1 group includes most of those over-bet debut horses with strong connections, pedigree and workouts. About 80% of all winning FTS do have a top-4 (K) rating, an important stat to remember, but it is the other 20% that gets the explosive payoffs and upsets the conventional wisdom. Let's see if we can uncover some of them on pg-10.

*Advanced Handicapping with HTR2***First Time Starters and the HTR Factors**

Here we'll look at the key factors for spotlighting FTS winners and see if profits are possible. Money can only be made if the public or insiders are ignoring a live runner. The general public and all serious bettors are aware of connections and stallions that excel with FTS. Those statistics are common knowledge and we won't make a dime by betting with them. We'll take a look at a trainer rating first ==>

**First Time Starters / Msw and Mcl Fast-Dirt Sprints / Purse \$10,000 or more**

<u>Item</u>	<u>Win%</u>	<u>WP%</u>	<u>ROI</u>	<u>Longs%</u>
Trainer-1	15%	30%	0.76	09%
Trainer-2	12%	24%	0.79	18%
Trainer (350+)	17%	30%	0.92	13%

Analysis

Remember that the HTR trainer rating is generic and does not include an adjustment for "record with FTS". The test results above indicate that the best trainers (350+) are reasonably productive with their debut horses overall and reduce the takeout to a -8% return. If you are thinking that results will improve when you isolate high-percentage FTS data with our Comprehensive Trainer Report statistics, remember the public is aware of them too and the returns will almost always disappoint going forward.

Pedigree

The HTR2 - PED rating is a more comprehensive analysis of the breeding than is available from public sources and includes an adjustment for first-time-starters when the horse is making its debut on dirt or grass. Below are some stats with FTS ==>

**First Time Starters / Msw and Mcl Fast-Dirt Sprints / Purse \$10,000 or more**

<u>Item</u>	<u>Win%</u>	<u>WP%</u>	<u>ROI</u>	<u>Longs%</u>
PED-1	13%	25%	0.92	19%
PED-2	12%	21%	0.80	19%
PED(450+)	12%	22%	0.91	22%

Relying on breeding alone to pick a FTS winner is a futile task - basically a guessing game. The low win rates with a Pedigree rating by itself are not surprising as it is a factor entirely dependent on genetics - but there is some hope with the top rated horses as the ROI exceeded 0.90. Maybe we can use it as part of a spot play later.

Workout Rating

The workout rating would seem to be the ideal factor for finding live overlay FTS. Most important it is not a number that the public can assemble and compare through visual interpretation of the pp's.

**First Time Starters / Msw and Mcl Fast-Dirt Sprints / Purse \$10,000 or more**

<u>Item</u>	<u>Win%</u>	<u>WP%</u>	<u>ROI</u>	<u>Longs%</u>
Wk-1	17%	32%	0.95	13%
Wk-2	13%	25%	0.88	14%
Wk(83+)	15%	26%	0.97	24%
Wk(88+)	20%	33%	1.07	18%

This is it - our best hope at regularly unmasking a live FTS overlay. Too much betting action will occur on the obvious trainer and pedigree plays, and the fast workouts ('bullets') will be over-bet. The HTR2 workout rating does not use raw time for its computation; instead it assesses the pattern of conditioning. This will be a major topic of discussion at the seminar in July. BTW: the "\$" longshot flag shows a 0.97 ROI for FTS, and it is apparent that nearly all are coming from the Wk rating as most of the other "\$" factors are not applicable for first timers. Turn the page and we'll try figure a spot-play with the above.

*Advanced Handicapping with HTR2*  
**Spot Play - First Time Starters**

We have hardly scratched the surface in the realm of handicapping first-time-starters. There are issues galore dealing with the cat and mouse game that is played between the trainer and the handicappers ---->

- A top trainer surprisingly enters a decently bred first-timer in a maiden claimer at a claiming level that is below the sire's stud fee - is he dumping the horse or trying for easy money?
- Similar to the above, a fast working first-timer gets a good jock and shows up in a very cheap maiden claimer. Are the works phony - why didn't they try the horse at a higher level if it is so fast?
- The distance is 7.0f for today's Msw race. There are some blue-blooded FTS entered from powerhouse barns - but statistics show woeful rates of FTS success beyond 6.0f. What to do?
- Several highly regarded FTS with outstanding works are entered at 6.0f against some experienced maidens that have already shown excellent pace and speed ratings. Who has the advantage?

These and a myriad of other questions are part of the FTS complexity. There is no question that longshot FTS winners have a definitive shock effect on the pick-4 and pick-6 mutuels and nearly all the other exotic payoffs. The public tends to load their tickets with the experienced runners and the obvious first timers with top pedigree and trainers. Let's see if we can out-flank them with a savvy spot-play.

- 1) FTS with ML odds 8/1 and up entered in Msw or Mcl; Fast-Dirt-Sprint; purse \$10,000 or higher.
- 2) Workout rating  $\geq$  83
- 3) A trainer rating  $\geq$  350 OR a pedigree rating  $\geq$  450

Regarding step (3) above, it can be one or the other.

Here are the 365-day test results with this method.

Note: "Long%" = percentage of winners paying \$15+

<u>Plays</u>	<u>Winners</u>	<u>Long%</u>	<u>Win%</u>	<u>WP%</u>	<u>ROI</u>
689	86	53%	12%	22%	1.06

ROI and longshot hits are super. Play count and win percentage are a bit scary however!

We cannot expect a lot of winners with a method that isolates FTS at odds above 6/1. We know that FTS are tough to call in any case, but longshots are extra elusive. Getting one of these into your pick-4, for instance, almost guarantees a healthy four-figure payoff. I hope there is food for thought here. You might try testing Msw and Mcl separately and even dividing the Mcl by claiming price levels. Distances from 4.5f - 6.0f are probably more productive than longer races. Individual tracks are also a possible research area, but sample sizes may be too limited at short meets.

First Time Starters are a guessing game for handicappers and insiders alike. We all want to put some stock in the betting action if it comes from a winning barn with a pattern of success with FTS; yet the mutuels are going to paltry for the most part and the exotic prices will suffer. If a surprise longshot FTS wins the race though, the payoff for the bettors that took an educated shot will be very rewarding. The HTR2 workout rating is our best predictor of success for these horses.

## **. Late News – Seminar /Tournaments / HTR People in the News**

Sorry for the late posting this month with the newsletter. My laptop power supply died and I couldn't work on it during the Orleans tournament. Big thanks to Mike Dee for helping me out. We'll be back on schedule for the May edition. No HTR2 software update until July - we'll introduce the new tools at the seminar.

### **Seminar RSVP**

Please let me know if you are definite for the seminar by June 1st and whether you plan to attend the optional presentations. If you are bringing a friend or spouse, let us know if they are going to be sitting in on the meetings as well. Seating may be limited, but we have never turned anyone away. We look forward to seeing you at the Gold Coast.

### **Mailing Address Reminder**

HTR no longer has an official (postal) mailing address after closing our PO Box in Los Alamitos this year due to the lack of incoming correspondence for the last several years. If you wish to send your monthly subscription via check or money order, send it to Handicappers Data Warehouse in Georgetown, KY. HDW address and contact info can be found at [www.horsedata.com](http://www.horsedata.com). If you need to send some snail-mail to HTR, contact me through email for my home address.

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