

# Punting like a professional

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## The professional punters edge

A professional investor (or indeed, punter) needs two assets above all else:

- A methodology that gives a mathematical edge over the rest of the market
- The confidence to continue when the inevitable losing streak occurs.

**Hotshot Winners** provides a service that gives the average punter a mathematical edge. However, confidence is an ever-changing kaleidoscope of extremes in emotions, depending on whether a punter is winning or losing.

The thing to remember is that everybody goes through the same emotional roller coaster. The major difference is in how these emotions are managed. The professional punter knows that some losses are inevitable and therefore has a plan on how to manage these emotional highs and lows.

There are several steps the professional takes to maintain their confidence:

- Maintain Emotional Neutrality
- Budget for occasional Losses
- Prepare and Stick to a Betting (or Staking) Plan.

This article talks about these issues and gives some tips that will definitely increase your punting confidence.

## Emotional Neutrality

Punters are generally a population of cursers.

Whenever they win, they curse themselves for not having enough on such an obvious “good thing” and they curse the bookmakers for putting up such poor odds.

When they lose they curse just about everybody.

They will have a go at the jockey for making poor riding decisions, the trainer for whatever reason that bubbles to the surface, even the connections don't miss their barbs, guilty for just owning a horse that they lost their money on!

As a rule, Punters who are excessively “high” when they win will also be excessively “low” when they lose.

*“Pittsburgh Phil”, arguably the greatest punter of all time, wrote that a punter “must be philosophical.” This means that they should not allow a series of wins or a succession of losses upset their judgment.*

*Emotional punters throw discretion to the wind. If they are winning, they simply believe they cannot lose (over confidence) yet immediately afterwards find a loser (or string of losers) that puts them out of business. If they are losing they immediately stray from all the hard work and analysis and become the prey of every kind of tip and influence on a racecourse.*

*Don Scott, in his book “The Winning Way” wrote a piece called “The Runaway Punter”. It was about a Sydney punter described as the Comet. The Comet was a highly intelligent racing analyst. He spent up to 16 hours a day studying race films, form cards (there were no computers in those days) and weights.*

*His top rated horses had an excellent strike rate. But when he got to the races, “he became the prey of every kind of information and influence”.*

*Scott writes, “In the last week of May 1980, he set out to massacre all bookmakers. During the week he went to the provincial meeting at Gosford. The weather was fine, but the track was heavy. In the Lightning Stakes there were only four possible winning chances.*

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*He rated High Adventure at \$2.50, Gredba at \$4.50, Royal Kirk at \$7.00 and Beche De Mer at \$26.00.*

*As soon as betting opened he claimed High Adventure at \$3.50 for \$5,000 to \$2,000 thinking he had made the bargain of the century. A few minutes later the horse blew out to \$4.50 and then to \$6.00. Something must be wrong he muttered to himself. A rumour spread like wildfire that High Adventure couldn't handle the wet. His price eased further.*

*By now Gredba had firmed into from \$2.50 into \$2.00 and then into \$1.80. The Comet now backed his second pick, taking \$8,000 to \$10,000 and also backed Royal Kirk at \$4.50 for \$14,000 to \$4,000.*

*He also had a saver of \$10,000 to \$1,600 on Beche De Mer, even though his analysis showed that it couldn't go a yard in the heavy.*

*In the race, High Adventure gave a lie to the racecourse rumour and won.*

*The Comet finished up losing \$10,600 after his top selection, rated at \$2.50 won at an average price of \$6.00 was bet, after as much \$7.50 was available.*

*The following Saturday at Randwick, the Comet again heard enough rumours to stop him backing his top fancy in every race. He tore up his tickets after betting against himself all day. He finished up losing six figures and was never seen on a racecourse again.*

***The Comet had become a fallen star!***

### **Footnote,**

Many of our Hotshot Winners biggest collects come from horses that ease in the betting. We have able to secure big overlays on numerous horses that we rated at between \$2.50 and \$3.00. When they eased out to \$4.00, \$5.00 and even \$8.00 our first instinct was panic and to "follow the money", but we knew from many years of experience that whilst following the money does throw up a number of winners, the herd instinct throws up short prices, but sticking to your guns throws up great prices.

### **Budget for Occasional Losses**

Why on earth, would you want to budget for a loss?

Read it again...it says "Budget for Occasional Losses", NOT "Budget for a Loss".

Of course we should budget to win in the long-term, but along the way there will be some losses. These loss periods test even the most hardened professional.

***Even the very best of the best investors suffer occasional losses.***

There are some tricks to guarding against the potential psychological damage that a couple of losing weeks does to even the most hardened punter:

- Have a sufficient "bank"
- Consider your punting bank as already lost
- Have a realistic Staking Plan that dictates the size of your bets, irrespective of whether you are winning or losing
- Research your performance data and know your win/loss record
- Stop if you become too anxious.

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## ***Punting Bank***

Having a sufficient bank stops the professional punter from “falling apart” after a week or two of losses. Punting legend, Don Scott had a bank of 20 times his basic bet.

That is, he could sustain 20 losing races before he went broke.

Of course he never had that long a losing run, but he did allow for it.

Depending on the strike rate some commercially available methods recommend banks as large as 50 to 100 times the basic bet.

Once you have accumulated a bank, the next decision to make is what percentage of your bank to bet. This should depend on both the strike rate you can achieve and your aversion to risk.

If you are “riverboat gambler” type, consider a betting unit of 5% of your bank and expect a lot of highs and lows.

If you are a more cautious type, consider a betting unit of say 2% of your bank. The ups and downs will be less, but you will sleep better at night.

## ***Consider Your Bank as Already Lost***

It sounds weird, but if you consider your punting bank as already lost, you then have no fear of losing it.

***Fear is the natural enemy of confidence and erodes all possibility of winning.***

## ***Staking Plans***

A Staking Plan is the pre-determined amount you will invest irrespective of whether you are winning or losing.

There are basically two types of Staking Plans;

- Increasing your bets after a win (and decreasing after a loss)
- Increasing your bets after a loss (and decreasing after a win)
- Keeping your bets constant over a period of time (periodically reassessing the need for increasing or decreasing the bank).

If we increase our bets after a winner, this means that each subsequent winner has a little larger bet on it than it might have otherwise had. This type of plan is aimed maximising returns from the winners, and also provides amazing dividends when there is a “run” of winners.

On the other hand increasing our bets after a string of losses, argues that a winner must come sooner or later, so that when it comes, we could get back all our losses in one “hit” if we put enough on. We do not recommend any plans that increase bets after a set of losses, because the bets can become so large that you end up risking a lot to receive a small return.

Small controlled increases however are generally a good concept and can accelerate your profits if used with a lot of discipline.

The principles behind many Staking Plans make a lot of sense and Hotshot Winners recommend that you should eventually have one (read article on Staking Plans).

However, there is one principle that has been proven over the years:

***If you can't make a profit at level stakes a Staking Plan will simply accelerate your Losses”***

Or to put it another way, no Staking Plan can compensate for poor selections!

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## Know Your Win/Loss Record

You should have an expectation (based on actual, not theoretical, data) of how often you expect to win in the medium to long-term, say, at least twelve months.

For example, from 1<sup>st</sup>. January 2023 to 31<sup>st</sup>. October, 2023, our Hotshot Winners produced 107 winners from 294 selections at 37% strike rate and a 16% profit on turnover (see figure 1)

	No. of winners	No. of races	Strike rate
	107	293	37%
	\$ Return	\$ Invested (@\$100)	POT
	\$ 68,130.00	\$ 58,600.00	16%
ave. price of winners	\$ 3.18		

Figure 1. Hotshot Winners performance in 2023 up to 31<sup>st</sup>. October

If you don't know your own Win/Loss record from either your own activities or from the service you might be using, then it is unlikely you are maximizing your profit potential. You may even be kidding yourself that you are winning when in fact you may be losing. You cannot go to the next level of punting unless you are keeping accurate records of both wins and losses and you are periodically reviewing your punting performance.

## Performance Anxiety

If you are still anxious after a couple of losing weeks, then you haven't allowed a sufficient bank, or you are betting in amounts too large for your psyche to handle at this time.

If this happens to you, Pittsburgh Phil says, STOP and go on a holiday for a month or two.

All top sportsmen know that it takes years of training to reach the pinnacles of success in their chosen field. In punting, the "pinnacle of success" is the size of the investments you command, and the "training" is learning to cope with the inevitable run of losses.

***The key is maintaining your confidence, or alternatively "overcoming your fear".***

We have learned from experience over many years that when we have a bad losing run, there is a good winning run around the corner.

For example, in the first eight months of 2016 our Hotshot Winners were a losing month by month. We were in the middle of a betting slump and our average strike rate had dropped to around 30%.

Our clients were leaving us in droves.

As a result of keeping good records for a number of years, we knew that the strike rate would correct itself (just like the stock market), so in late August, at the height of our slump, we predicted a turnaround.

From September to end of December, 2016 we had our best ever run of winners – 50% strike rate at a whopping 80% profit on turnover.

Had those folks who left us, just stayed with us a little longer, they would have recouped all their losses and made a massive percentage profit for the year.

It can take years to learn how to go from being a \$5.00 punter to a \$5,000 punting professional.

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And as in all professional sports, unfortunately, most people just never make it.

However, as in most sports, you don't have to be fully professional to enjoy being a winner: you just need to behave "like a professional".

Over time, you will find the level of punting (that is, the size of your bets) that you are comfortable with.

Whatever your level, you will need a bank (we suggest 20 to 50 times your base bet) to sustain it.

Your choice now is what to do with this valuable information that could set you on your winning way to becoming the successful punter you have always wanted to be.