

# Taking the long term view

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## What is the Long Term View?

Throughout these series of articles we consistently stressed that in order to win, punters need to take a long-term view. But really what is a long term view, and why is this long term view so important?

Let's define a long term view as at least 12 months betting action. The reason we choose twelve months is that statistically speaking:

- the more data points you have the more confidence you can have in your forecast
- you need at least 100 data points to make any meaningful predictions.

Although twelve months is a convenient (but arbitrary) number, we can make some reasonable predictions from such a data set.

***Statistically, trying to make conclusions from one good (or bad) day on the punt is a fool's errand.***

Unfortunately that is exactly what most punters try to do. If they have a bad day on the punt, they blame the selection process and try something new.

***This is one of the main reasons why punters do only one thing consistently...lose.***

The fact of the matter is that there will be winning days and losing days. The importance of the Long Term View is that by understanding the selection process and the random fluctuations around it, you will not panic after a losing day or two. When you are in a losing run, you will be mentally prepared for the winning run that is to follow.

## The Profit Worm

The profit worm is a graphical view of the week by week movement of your bank. We have all seen the run chase worm at the cricket, this is the same idea. It tells you in any week how you are going, and more importantly you can start to predict how you are likely to go.

Let's have a look at our web site at our Profit Worm in the Results page.

This is the actual profit worm for the 2023 Hotshot Winners.

There are a number of features we should notice when analysing this particular worm because it demonstrates many of the facts we have been trying to describe verbally in our newsletters.

First fact is that our long term strike rate is around 40% and our profit on turnover has been around 20%.

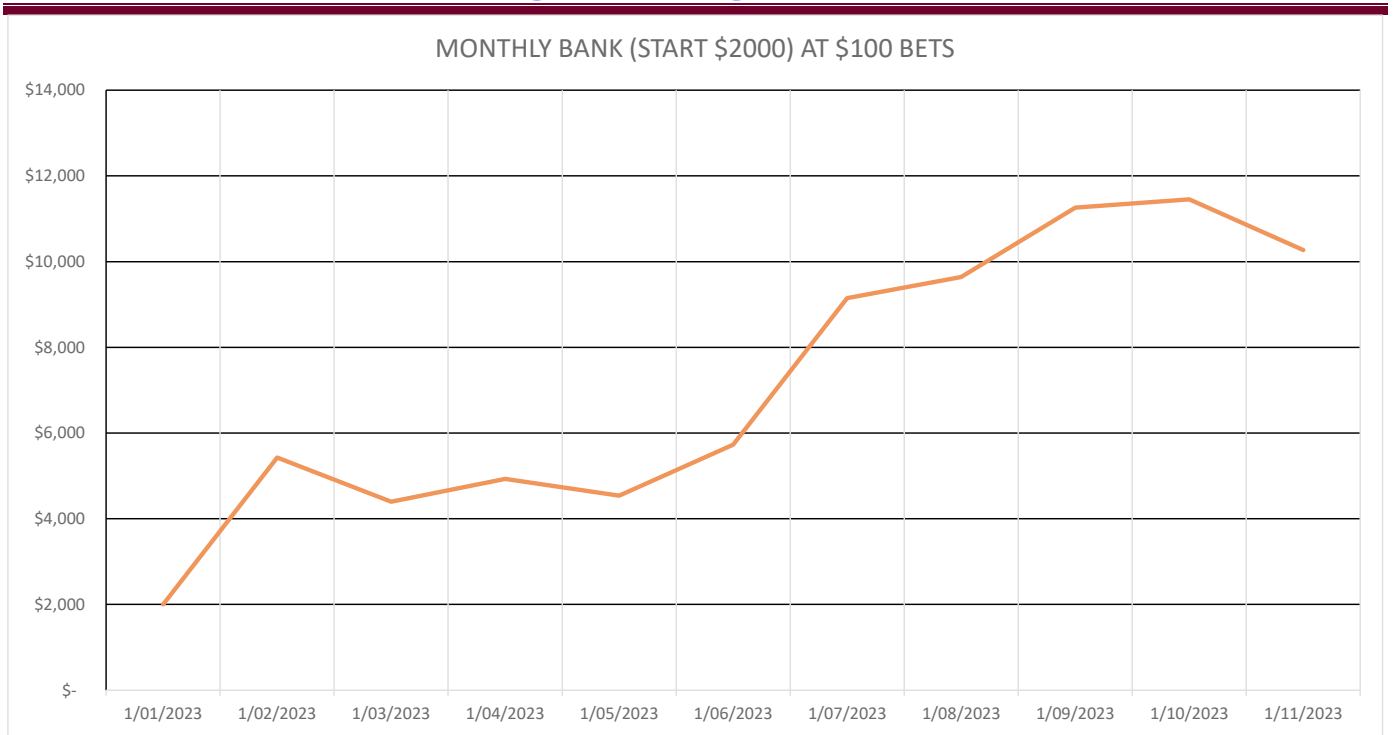
Our overall figures for 2023 are that we had a strike rate of 37% and an increase in our bank of 450%. Fantastic!

But by having years of data behind us we knew that the worm goes up and down and overall finishes in the profit zone. The difficult thing is to hold your nerve when you are in the middle of a losing run.

Just remember nothing fundamental had changed in the racing scene for decades and your performance will regress to your long term average provided you don't change your method.

Sadly, many folks give up in the losing months and miss the biggest windfalls.

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**Figure 1. Hotshot Winners Profit Worm-2023**

### ***What have we learned?***

If your punting year looks like figure 1, you will finish up well ahead of the game.

If you know your profit worm, you can keep your eye on the beginning and end and not be overly anxious or overly joyous when the worm either jumps up or down disproportionately in any one week.

This is the great secret as to why the professionals keep their nerve through thick and thin!

Professionals know that for every losing day, there are hugely profitable days, and vice versa. Professionals have spent hundreds, if not thousands of hours researching their methods, so they have absolute confidence that their methods will find them in front over the long haul.

The worm in Figure 1 is typical of what a professional punter's year might look like. There will always be ups and downs, the trick is to expect them and simply ride through them, sticking to the disciplined approach so difficult for most punters to achieve.