



Walsh's wisdom beats the odds

Legendary gambler David Walsh explains why he thinks the track is a better bet than the sharemarket.

Joye



Christopher Joye

The eccentric numerati **David Walsh** ascended – randomly in his telling – from humble origins in a housing estate in Hobart's blue-collar suburbs to become among the most successful professional gamblers in history alongside his friend, mentor and fellow Tasmanian, **Zeljko Ranogajec**.

Walsh and Ranogajec took on the might of global gaming markets and managed to consistently win over three decades. Much like the most advanced hedge funds, which employ armies of PhDs to identify patterns in financial markets, Walsh and Ranogajec's consortium, called the Bank Roll, created statistical models that allowed them to exploit mispricings in betting odds wherever they could be found.

The Bank Roll's quantitative edge, which they refined over time to capitalise on and adapt to relentless technological change, has allowed them to individually generate hundreds of millions of dollars in profits across a multiplicity of countries and gambling domains.

These rivers of gold also enabled Walsh to personally invest \$75 million in a futuristic, copper-coloured fortress on Hobart's foreshore, which houses a radical contemporary art collection.

It was described last year by CNN as the "world's most far out museum".

The Museum of Old and New Art (called MONA), which shocks the senses with graphic projections of birth, life, death and sex portrayed in every imaginable way, has become Tasmania's premier tourist destination and galvanised critical acclaim.

You know you are entering into an unhinged alternative reality when you wan-

der by Walsh's two car spaces emblazoned with bold signs declaring they belong to God and God's Mistress. A hedonistically enhanced AMG Mercedes sits in each spot.

Walsh says he established MONA, which he says loses millions each year, to repay a "debt for getting lucky in a way that does no one any good".

Its total cost is estimated to exceed \$150 million once the extraordinary art that sits in its labyrinthine subsurface caverns, carved out of 250 million-year-old Triassic sandstone, is accounted for.

"When you trade derivatives or bet on horse racing, you have not actually made anything," Walsh accepts. "The world is in no way a better place because you have extracted wealth from the market and lined your own pockets. In this case, I did at least one thing that might have made me feel a little bit better."

He says the nexus between his abstract professional life and his emergence as an internationally recognised art collector is the pursuit of learning.

"Art can make very imprecise statements that are very profound and communicate them quickly. It overloads all the senses and emotions—not just our intellectual capacity," he says. "As someone who was a kid who struggled with emotional expression, the sort of person that many people these days describe as autistic, art was a fascinating field that was unknown to me, and the more I explored it the more I realised I did not know."

While much energy has been expended documenting Walsh's personal history, idiosyncrasies and the story behind MONA, he has never really lifted the lid on his investment philosophy.

That is, how he has managed to continuously beat the most competitive betting markets in the world.

After several unsuccessful inquiries, Walsh agreed to engage with *AFR Weekend*

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