

# Quant Sports Trading Limited





# QST Concept: Algorithmic Trading of Sports Events

- The application of hedge fund expertise to the sports trading market
- A state-of-the-art tool set focused on proprietary machine learning models
- An exceptional ROI anticipated for exclusive investment partners
- Significant financial reward to be realised through the relative immaturity of the sports trading market
- The opportunity to serve as both liquidity provider and / or liquidity taker dependent upon employed strategy
- A proof of concept currently active in the financial markets



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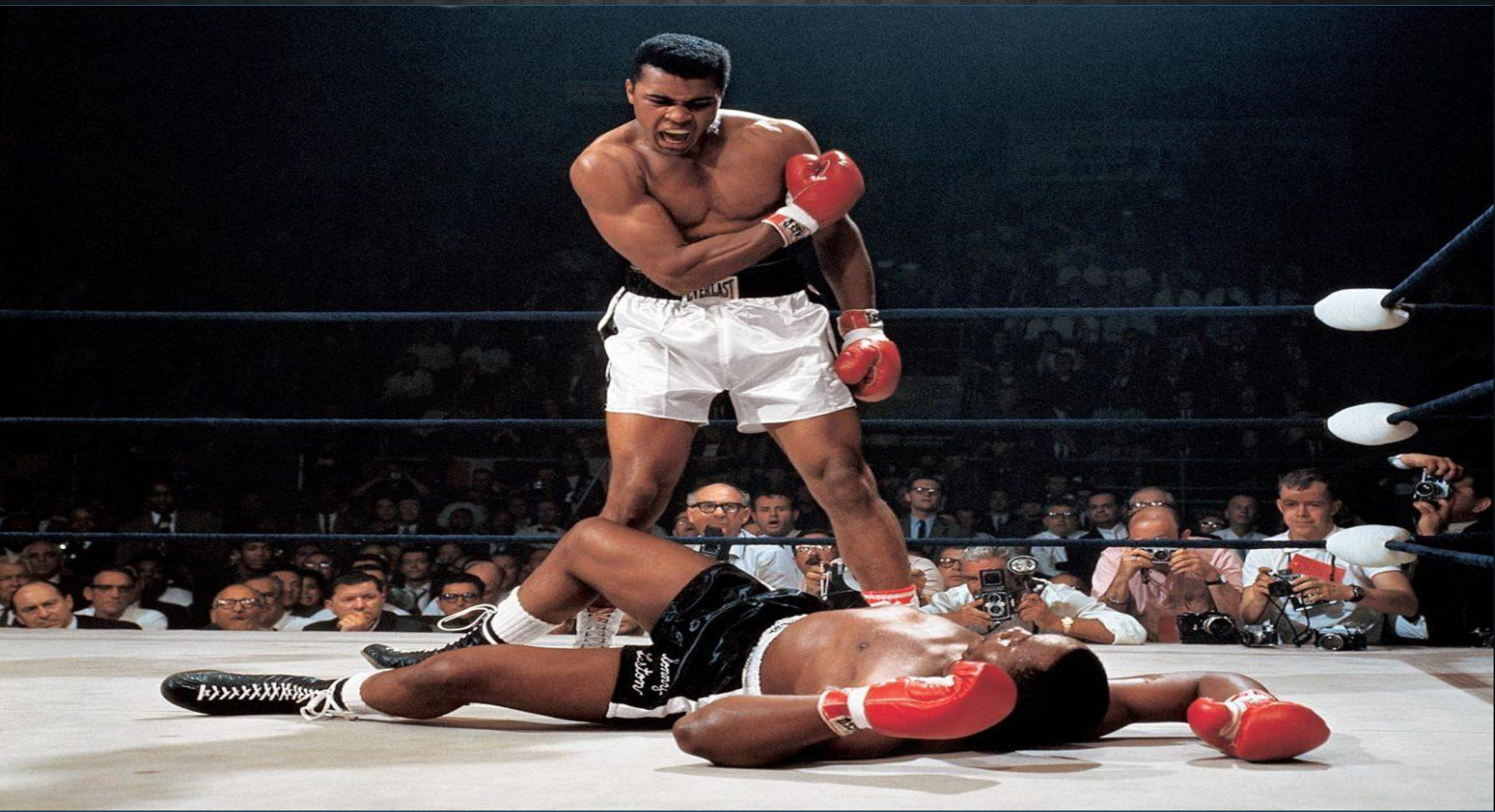


## QST: Disciplined Process

- Highly disciplined process based purely upon statistical analysis
- Automated process requiring zero human input
- Automated execution of thousands of trades in any given sports event
- Data driven processes providing greater certainty for deployed strategies:
  - Raw data: Millions of millisecond updates received via the data pipeline
  - Feature engineering: Predictive signal identification and noise elimination
  - Model Building: Signal combination utilising state-of-the-art machine learning.
  - Model Validation: Outputs are tested on unseen data for predictive quality
  - Paper Trading: Pipeline convergence tested prior to real money trading
  - Live Trading: Strategy deployed
- Multiple models & strategies employed over multiple events



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# QST: Potential Business Strategies & Products

- Algorithmic Sports Trading Company:
  - A pre-game trading environment
  - An in-play trading environment
  - A suite of multi-sport strategies; market-making, trading & hedging
  - A suite of predictive trading models based on ML (Machine Learning)
- Subscriber web-based front-end (GUI) for more sophisticated bettors:
  - Provision of analytics and subscription data (Can also be used for our own strategies or as a resell).
  - Provision of predictive models and strategy development
  - Provision of extensive data sourcing and intelligent analysis of historic sports events
  - Provision of a back-testing engine for client strategies



## QST: Potential Business Strategies & Products (Cont'd)

- Provision of a forum for latest news and views
- Provision of crowd-sourced predictions
  - Best strategies for profit; owners receive a percentage of gain
  - Gamification and exploration of Blockchain advantages
- Proprietary exchange: Sufficient scale would enable bookies to hedge with QST
- Sports betting consultancy services and published tipster content



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# QST Advantages: Current & Sought

## ➤ Knowledge

- Algorithmic trading strategies sourced from hedge fund expertise
- Machine Learning: Robust research element allied to University College London
- An aspiration and expectation to be state-of-the-art in this field

## ➤ Data (Sought)

- An acceleration of development, strategy quality and research with paid data
- A requirement for quality, volume & timeliness (high quality, high speed) of data
- An opportunity, over time, to resell the data

## ➤ Process

- Algorithmic processes back-testing to establish a robust statistical advantage
- The application of the dominant and successful methodology utilized in financial markets
- Risk management as an integral & critical element of the platform.



## QST Advantages: Current & Sought (Cont'd)

- Network Effect – The genesis of a trading platform from an algorithmic trading dawn:
  - To enable users to exchange views, trade and test strategies
  - To access funds to unlock the best timely data and expand our suite of strategies
  - To offer lower commissions on competitor exchanges or our own - cost advantage through scale.
  - To be the 'early-movers' as the sports trading market transitions towards a closer rendition of the financial trading market



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## QST: Why The Sports Market?

- In contrast to the highly regulated equities market the sports exchange market exhibits:
  - A large proportion of retail customers
  - A small proportion of computerised traders
  - A typical trading strategy of one-per-event rather than multiple adjustments
  - A lack of hedge fund involvement
  - An average 'punter' who is price insensitive
  - An immature, low-regulation market
  - A market where sports exchanges have increased the market liquidity
  - A growth market from increased legalisation, particularly in the US

*An early-mover advantage therefore exists in what preliminary investigations have identified as a softer and therefore very fertile market*



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