



The month so far

For the month of January 2021, we generated a gross return of **+2.40%**. Given just over two weeks of trading, and an augmented strategy to commence the season, this has been a pleasing result.

For the month we traded Moneyline markets only, using a single counterparty. As more current season data becomes available, we will increase our trading activity to include additional matches, markets and counterparties.

A detailed comparative analysis study of the year-to-date results shows a clear improvement in the current actual results against those for the corresponding period in the back tested sample.

This augurs well for the long-term performance of the Fund.

JANUARY 2021 – KEY TAKEAWAYS

 **The NHL FUND recorded a return for January 2021 of +2.40%**. Of the trades made in January, over 68% were profitable.

 The return achieved over the course of January 2021 compares favourably with each of the benchmark indices, all of which reported a loss for the month. The DJIA **(-2.11%)**, NASDAQ100 **(-0.19%)** and HFRX Global Hedge Fund Index **(-0.16%)**.

 Given the current conditions pertaining to COVID-19 and the subsequent impacts on scheduling, together with the start of the new season, trading was limited to Moneyline markets only. Additionally, for the first two weeks, only events where the Fund had a perceived 15%+ edge were traded.

 As the season progresses and more data is collected, Puckline strategies will augment the current Moneyline investment strategy. Furthermore, all matches with a 5% or greater edge will be traded.

 An extensive comparative analysis has been completed, analysing the performance of the Fund over the first month against the “virtual” performance of a Fund over the back-tested sample.

 The strike rate of the algorithm underpinning the investment decisions is **64.5%**, eclipsing that achieved in the previous three seasons back-tested sample.

 A comparison of the ROI achieved to date in season 2021 against that which could have been achieved in the years of the back testing sample reveal a performance premium in 2021 of **+9.3%** over the 2020 model performance. This result, when combined with the strike rate performance for the current season augurs well for the NHL Fund as we mover towards February and beyond.

Priomha Capital – NHL Investment Fund

Monthly Investment Report - January 2021

The month in review

For the month of January 2021, we have generated a gross return of **+2.40%**. This is a strong start to the Fund as this result has been from limited trading on only a single market.

The return also compares favourably against our benchmark indices, as shown in Table 1 below.

Result Summary

	NHL Fund	DJIA	NASDAQ100	HSFRX
Return (%)	+2.40	-2.11	-0.19	-0.16

TABLE 1: Interim results for January 2021

A key advantage of the Fund are its non-correlated returns. The results from January highlight this fact with all indexes tracking negative.

From the Trading Desk

With the commencement of this, the first season of the NHL Fund on January 13th we have been intentionally more conservative and circumspect to date than normal. Whilst this is our preferred mode of operation for the start of any season, the impacts on scheduling that have been caused by COVID-19 have meant erring more so on the side of caution. For the first two weeks of trading for instance, we only traded one market (Moneyline) and only on those events where we had a perceived edge of 15%+.

- **Winnipeg Jets:** in terms of trading the Jets have been our friends so far this season. We have executed four Moneyline trades on WPG so far, with three wins and a solitary loss to Toronto.
- **Best Result:** The Edmonton Oilers away to the Toronto Maple Leafs on January 20th provided the best result for the Fund thus far. EDM beat TOR 3-1 leading from start to finish. We were able to execute our trade on EDM at \$2.40 (42% implied probability to win). Our technology rated EDM a 59.5% chance, meaning a 29.4% edge over the market.
- **Worst Result:** Our worst result for the Fund came early, on January 14th. We favoured the Arizona Coyotes to win at home against the San Jose Sharks. We were able to buy ARI at \$1.78 (56%). Our model rated ARI at 66.0%, meaning an edge of 15.0%. Well, ARI were still on holidays falling behind early and that is where they stayed, finally being defeated 4-3.

Concurrent to our trading activity has been detailed analysis, review and updating of our algorithm technology. Whilst this is an ongoing exercise it has been a focus of the Fund in the early weeks to counter the impacts of a disjointed schedule and tight turnarounds between matches. This work will hold us in good stead as the season progresses.

Comparative Analysis

Critical to the opening stanza of the season has been the completion by our data scientists of a comparative analysis of the existing algorithm technology and its efficacy against the previous three seasons that have been back-tested and proved to be the catalyst to the formation of the NHL Fund. There have been 121 games completed thus far in season 2021, enough to provide statistically significant insights into the predictive capability of the technology.

	Current Season	2019-2020	2018-2019	2017-2018
Strike Rate (%)	64.5	57.8	57.8	54.5

TABLE 2: Interim results for January 2021 – comparative strike rate

Strike rate here refers to the number of model favourites, whether bet or not, that win after the first 121 matches. The season results to date indicate that the current algorithm predictive technology is outperforming previous versions of the model.

	2019-2020	2018-2019	2017-2018
ROI Performance Premium (%)	+9.3	+175.5	+130.3

TABLE 3: Interim results for January 2021 – ROI performance premium

Performance premium here refers to the increase in ROI of the current model against its predecessors after 121 matches, when deploying the identical investment strategy that has been used to date. The current model is showing improvement year on year.

The strong results from the comparative analysis augurs well for the NHL Fund as we move into the the remainder of Season 1.

February Outlook

February 2021 will see the trading increase in the Moneyline market as we will look to execute trades on all matches with a perceived edge of 5% or greater. We will also look to the Puckline market as a potential source of further trades.

Additionally, with FUM growing we will be looking to utilise additional counterparties. Whilst this may offer arbitrage opportunities, our focus will continue to remain on pre-game execution of trades.

The information contained in this document is published by Priomha Capital. No representation or warranty as to the accuracy of the information contained in this document is made or implied. The returns for the NHL Fund included in this document are not audited. The details and opinions in this document are provided by Priomha Capital without any guarantee or warranty and are for the recipient's personal use and for information purposes only. This document is no offer or solicitation to purchase units in the Priomha NHL Fund. All Priomha NHL Fund performance numbers, unless otherwise stated are gross figures. Past performance is not indicative of future results. If the currency of the fund is different from your reference currency, the return can increase or decrease as a result of currency fluctuations. No reader should rely on this document as it does not purport to be comprehensive or to render personal advice. The Priomha Group © 2021. All rights reserved.