

Priomha Capital CLONEY Multi-sport Investment Fund

Monthly Investment Report - April 2015

Priomha Capital

Priomha Capital is a boutique funds management firm whose investment universe centres on sports and events. It was founded in 2010 by a senior business executive who identified the opportunity to secure superior returns through the application of mainstream portfolio and investment management techniques to the nascent industry of sports and event investment.

Investment Objective

The objective of the Fund is to provide consistent capital growth and a growing level of income over the medium term (3-5 years) by investing in global sports and events. The Fund endeavours to generate returns in excess of the major Australian stock market and global hedge fund indices. *The benchmarks by which to gauge investment performance are the ASX200 & HFRX Indices.* The Fund may not achieve its investment objective. Returns are not guaranteed.

Investment Strategy

The CLONEY Fund seeks to achieve its objective through the adherence to three key beliefs:

- *The preservation of capital.* Over 95% of all trades are hedged so as to secure profit or mitigate loss. Strict risk management protocols are enforced regarding maximum trade size & exposure limits.
- *Extensive analysis.* All investment decisions are underpinned by extensive statistical and probability analysis to identify intrinsic value in the individual markets.
- *Diversification.* The Fund takes an even approach to investing by holding a diverse range of sport and event positions within its portfolio.

FUND INFORMATION	
Investment Manager	Priomha Capital Pty Ltd
Domicile & Currency	Australia & AUD
Investment Horizon	5 years
Total FUM	Less than \$AUD3.50M
Minimum Investment	AUD\$250,000
Management Fees	2% FUM* (charged annually)
Performance Fees	20% of profits (charged bi-annually)
Maximum Trade	3% FUM
Fund Profile	Multi-strategy/Value Fund
Distribution	Reinvestment or redemption
Launch Date	1 January 2010
Accounting Year End	30 June
Fund Counsel	Keelins Pty Ltd www.keelins.com
Fund Auditor	Deloitte Australia www.deloitte.com.au

TABLE 1: Fund information

* Management fees vary. Management fees are charged pro-rata annually in arrears and only if an investor's account is in profit by 2% or more for the calendar year.

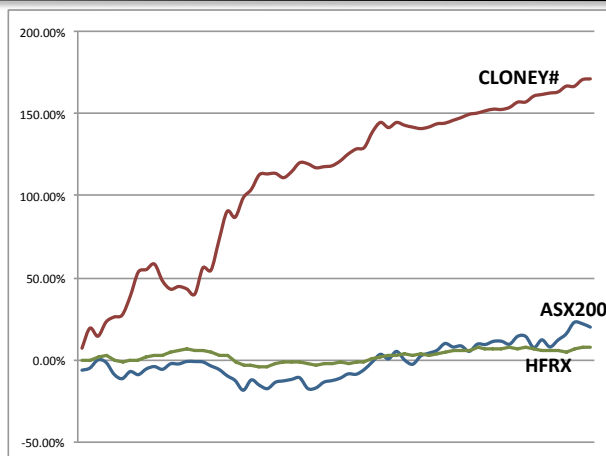


FIGURE 1: Comparative returns

Priomha CLONEY Fund gross return.

INVESTMENT RETURN	CAGR	\$100K#
CLONEY Fund (net)^	14.95%*	\$207,800
ASX200 (gross)	3.54%	\$120,000
HFRX (gross)	1.42%	\$107,670

TABLE 2: CAGR and investment return

Assuming an initial investment of AUD\$100,000 and full reinvestment of all dividends

* Recorded returns are adversely impacted by open Futures Investments

^ Assuming a 2/20 fee structure

TRAILING RETURNS	CLONEY#*	ASX200	HFRX
3 months	2.83%	3.61%	2.57%
6 months	3.63%	6.88%	1.84%
12 months	7.29%*	7.77%	1.31%
24 months	10.84%	14.05%	4.58%
36 months	23.17%	34.60%	8.78%
48 months	73.61%	21.47%	1.48%
60 months	120.14%	21.73%	5.12%

TABLE 3: Trailing Returns

Priomha CLONEY Fund gross return.

* Recorded returns are adversely impacted by open Futures Investments

RISK & RETURN CHARACTERISTICS	CLONEY#	ASX200	HFRX
Return Since 2010	171.06%*	20.01%	7.68%
Best Month	11.88%	7.71%	2.36%
Worst Month	-6.48%	-7.38%	-3.47%
% Positive Months	78.13%*	53.13%	59.38%
Sharpe Ratio (3%)	1.44	-0.03	-0.28
Sortino Ratio (3%)	-	-0.04	-0.32
Standard Deviation	13.58%	12.52%	4.95%

TABLE 4: Risk & return characteristics comparison

Priomha CLONEY Fund gross return

* Recorded returns are adversely impacted by open Futures Investments

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	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YEAR
FY 2015#	1.27%	0.04%	1.40%	0.36%	0.34%	0.25%	1.33%	-0.04%	1.52%	0.19%			6.64%
FY 2014	-0.36%	0.39%	0.81%	0.17%*	0.71%	0.67%*	0.82%	0.29%	0.55%	0.40%*	-0.08%*	0.50%*	4.97%*
FY 2013	0.30%	0.25%	1.33%	1.92%	1.37%	0.40%	4.10%	2.45%	-1.29%*	1.30%	-0.72%*	-0.46%	11.38%*
FY 2012	10.08%	-1.85%	6.30%	2.60%	4.41%	1.20%	0.16%	-1.23%	1.77%	2.52%	-0.30%	-1.11%	25.46%
FY 2011	8.98%	10.65%	0.97%	2.14%	-6.48%	-3.37%	1.14%	-1.01%	-2.20%	11.43%	-0.99%	11.88%	35.81%
FY 2010	-	-	-	-	-	-	7.18%	11.36%	-4.08%	7.55%	2.47%	0.93%	27.34%

TABLE 5: Priomha CLONEY Fund monthly returns (gross) since inception

Interim returns – to be audited

* Recorded returns were adversely impacted by open Futures Investments being treated as losses in the month they were made.

Summary

For the month of April 2015 the CLONEY Fund reported an interim return of **+0.19%** based on trading **110 events**. The ASX200 recorded a loss of **-1.72%** & the HFRX Global Hedge Fund Index returned **+0.21%**.

For the month of April Football was the most profitable asset class, with Golf proving to be the worst performing of the sports traded (see below).

Total turnover for the month was split 18% racing/82% sports. The breakdown of trading activity on a turnover basis is shown in Figure 2 below.

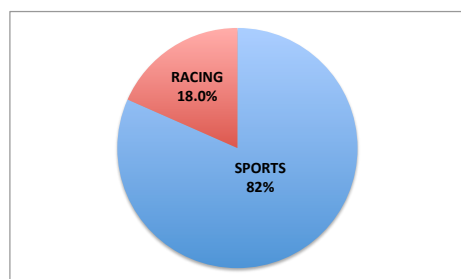


FIGURE 2: % of turnover between Racing & Sports

The month started terribly with Jordan SPIETH winning the US Masters, leading from start to finish. Having taken a maximum position against him pre-tournament at \$8 he was into \$2.20 at the end of Round 1. He continued to firm through each Round, eventually winning the tournament by four shots. He was the first wire to wire winner since 1976 and one we will not forget as every hedge we tried ended up a losing one. We **lost 2.85%** trading the US Masters.

The EPL continued to prove profitable for us – it is a pity it will be over by the end of May. We have optimised our strategies re trading this sport and we look forward to the new season, starting again in August.

We have monitored the opening rounds of the AFL, trading selectively. The collaboration with TedSport is working well and we look forward to continuing to trade the sport more aggressively through the middle of the season.

Horse racing, albeit the minority component in terms of turnover provided a small profit for the month of April 2015.

Futures Investments

French Open Tennis – we have BACKED Roger FEDERER at an average price of \$20. Whilst he may not win, our analysis has him making it to the QFs before facing quality opposition. He will trade at less than \$20 en route.

World Matchplay Golf – we have a position against Rory McILROY at \$7 in this tournament. The format has changed slightly this year with a round robin start, before the knock out stages. To win, one needs to win at least six (6) individual matches. We have opposed McILROY early and will look to trade out as the tournament progresses, either to take profit or mitigate loss.

The Month of May 2015

The primary focus for trading in May 2015 will be as follows:

- European football – the European football season is marching towards its conclusion. We will continue to be active in these markets.
- Australian horse racing – the caravan moves to QLD for the Winter Carnival & we will be selectively trading these markets.
- Cricket – the Northern Hemisphere cricket continues with the English hosting New Zealand. There are other international matches also taking place, many of which we will trade.
- Golf – continues globally and we will look to oppose the favourites when the markets have overrated them.
- Tennis – the French Open starts towards the end of May.
- AFL – we will monitor the opening rounds of the season before looking to trade opportunistically from Round 5 onwards.

We have focussed a great deal of time over the past 18-24 months on limiting the downside variability of the Fund. This has been successfully achieved. Our medium term focus is to now ensure that we can maintain the limited downside variability whilst not suppressing the upside returns.

Since inception the CLONEY Fund has generated a **14.95% CAGR** (net) which has clearly outperformed the benchmark indices. We remain active in our endeavour to ascertain value in the markets and position the CLONEY Fund as an excellent long term investment.

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