

Priomha Capital CLONEY Multi-sport Investment Fund

Monthly Investment Report - December 2015

The month in review

For the month of December 2015 we generated a return of **+1.58%**, which was a solid performance given the slow start to the trading month.

The CLONEY Fund return compares favourably with the major benchmark indices. The ASX200 generated a return of +2.50% and the HFRX global hedge fund Index returned -1.17%.

For the month of December we traded only **53 events**, well down on our long term average of 100+. The reduction in events traded was primarily due to the slow start to the month, identifying only one suitable trade in the first 10 days of December.

The EPL was the most traded sport for the month in terms of turnover. Australian horse racing was the most frequently traded event.

Results

	Month	FY16	12 months	Since Inception
CLONEY Fund	1.58%	5.12%	14.27%	200.64%
ASX200	2.50%	-2.99%	-2.13%	7.58%
HFRX	-1.17%	-4.69%	-3.48%	1.62%

From the Trading Desk

The month of December 2015 was atypical in terms of commencement of trading with the team only being able to identify one suitable trade in the first 10 days of the month.

Notwithstanding the slow start to the month we were able to trade significantly over the Christmas period, a time for rejoicing for many, a time of high activity for Priomha.

- **EPL:** with multiple rounds to finish the calendar year & the form of each team levelling out we were able to trade the EPL with more confidence, specifically the Match Odds and Under 2.50 Goals markets. For the month of December there was only one significant losing trade on football in the Under 2.50 goals market in the match between Everton & Stoke.
- **Australian horse racing:** the spring carnival is over but warm weather and fair tracks means we can trade with confidence. Our trades are small, but frequent on horse racing. For December there were only two significant losing trades.
- **Test & ODI Cricket:** there are multiple Test & ODI series being conducted around the southern hemisphere at the moment. We traded SA vs England and NZ vs Sri Lanka heavily as the Australia vs Windies series offered little by way of value (or entertainment!).

From the Trading Desk (continued)

- **BBL05:** as mentioned in previous monthly reports we have developed an algorithm specifically for BBL05. Much of the month of December was testing the algorithm with current data. Although the focus of December was testing we still managed 3/4 successful trades. The volumes traded in these matches is vast, and despite only four matches traded in December, it represented almost 10% of the total monthly turnover.

January Outlook

January 2016 will see the trading turnover return to at least its regular levels. Specifically Australian horse racing, cricket, tennis & football.

- **Australian Horse Racing:** the continued fair track conditions and the run up to the Group 1 events in Melbourne in February will see continuation of our high frequency, low volume trading.
- **Test & ODI Cricket:** more Test matches and the ODI competition in Australia will be the focus. The ODI competition in Australia should be more competitive than the Test series and subsequently there will be more opportunities for trading.
- **BBL05:** with over 20 matches in January & more than A\$30M traded in each match we will be looking to exploit the edge that we have developed via our algorithm.
- **Tennis:** the Australian summer of tennis starts with the lead up to the Australian Open. We will selectively look to trade matches, primarily in play.
- **Football:** the EPL, FA Cup, Champions League and other European leagues are now in full swing. Consequently we will be taking larger, more frequent positions.

Beyond January & Futures Markets

- **T20 World Cup:** as it draws closer we will be looking to take a position against Australia in the Winners Market. With the tournament being played in India, spin will be key. Australia does not have a front line T20 spinner and its batsmen are not as well equipped as others to handle slow, turning pitches.
- **EPL:** we now rate the EPL a two horse race between Manchester City & Arsenal. As previously notified we have taken a position against Manchester United in the Winners Market and we will keep this open.

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