

Priomha Capital CLONEY Multi-sport Investment Fund

Monthly Investment Report - March 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 \$AUD4.0M
Minimum Investment	AUD\$200,000
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.

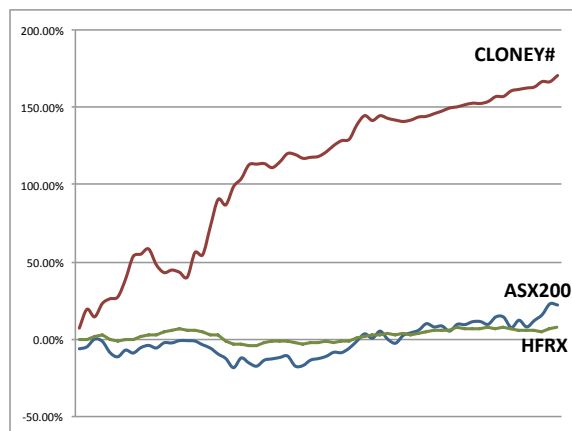


FIGURE 1: Comparative returns

Priomha CLONEY Fund gross return.

INVESTMENT RETURN	CAGR	\$100K#
CLONEY Fund (net)^	14.95%*	\$207,800
ASX200 (gross)	3.88%	\$122,100
HFRX (gross)	1.38%	\$107,450

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%	8.88%	2.06%
6 months	3.81%	13.56%	0.29%
12 months	7.52%*	11.58%	0.36%
24 months	12.07%	21.30%	5.01%
36 months	26.03%	38.45%	8.69%
48 months	93.09%	23.27%	1.74%

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	170.55%*	22.11%	7.45%
Best Month	11.88%	7.71%	2.36%
Worst Month	-6.48%	-7.38%	-3.47%
% Positive Months	66.67%*	53.97%	58.73%
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%				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 March 2015 the CLONEY Fund generated a reported an interim return of **+1.52%** based on trading **90 events**. The ASX200 returned **-0.63%** & the HFRX Global Hedge Fund Index returned **+0.33%**.

For the month of March horse racing, cricket and football were all profitable with horse racing producing the best result.

Total turnover for the month was split 23% racing/77% sports. The breakdown of trading activity on a turnover basis is shown in Figure 2 below.

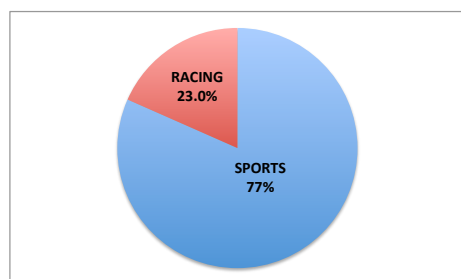


FIGURE 2: % of turnover between Racing & Sports

The World Cup cricket dominated the trading for the month of March.

Our long term futures trades were to LAY Australia (3% trade) and to BACK South Africa (3% trade) in the tournament winners market. We got both of these wrong! Not only did we get these wrong but the market never provided a real opportunity to hedge out for a neutral return. Despite being beaten by New Zealand early, Australia did not drift markedly. Additionally, South Africa never hit our exit price of \$2.75 despite at one point looking certain to make the final. We hedged along the way but the market movement meant that we had to take a loss on both of these futures trades.

To compensate for the futures trades we opportunistically traded in-play in most matches. We were able to offset the futures loss and produce a small profit for cricket for the month. A South African win in the semi final would have changed the monthly return considerably!!

Horse racing, albeit the minority component in terms of turnover performed well for the month with only one trade going awry. Football was solid with the EPL analysis continuing to prove accurate.

Futures Investments

The US Masters golf tournament will be held in early April. We have taken a position against both Rory McIlroy and Jordan Spieth. McIlroy, the World #1 is always fancied and whilst he did us no favours last year we again believe at \$7 he is under the odds. Similarly, Spieth, who is currently dominating the tour is a little short at \$8. We will look to trade these positions through the four rounds of the tournament to either maximise profits, or mitigate potential losses.

The Month of April 2015

The primary focus for trading in April 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 Autumn Carnival moves to NSW and we will be selectively trading these markets.
- Cricket – the Northern Hemisphere cricket commences with the English tour of the West Indies.
- Golf – the first Major of the year, namely the US Masters will be played. As per above we have open trades on this market.
- Tennis – the clay court season starts in April. We will trade lightly as we look to update data for the French Open in 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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