

Priomha Capital CLONEY Multi-sport Investment Fund

Monthly Investment Report - March 2016

The month in review

For the month of March 2016 the CLONEY Fund generated a loss of **-0.80%**. This was a poor return, our first monthly loss for seven months and was a direct result of a T20 World Cup cricket trade & a UEFA Champions League fixture both going wrong. Furthermore, our early positions against Spain, England & France in the Euro 2016 tournament have moved against us, so whilst these events are still over four months to completion “paper losses” have been incurred.

Compounding the poor return for the month was the fact that as expected, the global markets returned to positive territory. The ASX200 generated a return of **+4.13%** and the HFRX global hedge fund index returned **+1.24%**. The global financial markets rebounded on the back of investor risk tolerance returning. The equity market gains were led by sharp recoveries in emerging markets and energy exposures. China, Brazil, India and Russia led the regional gains. The US\$ fell against the Euro, Swiss Franc, GBP & Yen based on the Fed outlook.

The March fall means the CLONEY Fund has now returned +10.04% over the past 12 months. Over the same period, despite a buoyant March return the ASX200 has returned -13.73% for the past 12 months whilst the HFRX is only marginally better at -7.35%.

For the month of March we traded **75 events**, marginally down on our long term average. The trades however were predominantly in our high volume markets of cricket & football, hence our turnover was amongst our highest on record.

Cricket, courtesy of the T20 World Cup was the most traded sport for the month in terms of turnover, ahead of football. Australian horse racing was the most frequently traded event (as per normal).

Results

	Month	FY16	12 months	Since Inception
CLONEY Fund	-0.80%	5.59%	10.04%	197.72%
ASX200	4.13%	-6.90%	-13.73%	3.64%
HFRX	1.24%	-6.63%	-7.35%	-0.45%

Company News

We have recently been able to identify and recruit a highly qualified golf analyst who joins the team to complete the work we commenced over 12 months ago. Over US\$200M is traded on the global exchanges annually on golf (much more if we include bookmakers) and as such it is a fertile market for Priomha. We are looking to finalise our current database and algorithm and be ready for proprietary trading in time for the US Open tournament, starting in June.

From the Trading Desk

- **Football:** A frustrating month of football trading started badly with our Under 2.50 Goals trade on the UEFA Champions League match between Chelsea & PSG being scuppered early. With two early goals we were always in trouble and whilst we were able to mitigate some of the loss it was a losing trade. Elsewhere the Premier League model continues to perform consistently well but it was not enough for football to be profitable for the month. International friendlies are being played in the lead up to Euro 2016 and whilst we are not heavily trading these fixtures we are monitoring each match.
- **Australian horse racing:** March saw one week of good racing in Melbourne before the remainder of the Autumn Carnival is played out in Sydney. Three losing trades for the month meant a neutral return for racing for March.
- **T20 Cricket:** the focus for the month was on T20 cricket and bar for one poor trading match between England & Sri Lanka then the cricket portfolio would have been a strong performer for the month. As it was, cricket provided a marginal profit for the month.

April Outlook

April 2016 will see the trading focussed on our core assets, namely; Australian horse racing & football.

- **Australian Horse Racing:** The circus moves to Randwick for the Championships and that generally means very poor weather. Weather permitting, high liquidity is assured and as such we will be trading accordingly.
- **Football:** the EPL, FA Cup, Champions League and other European leagues are reaching their crescendo. We will look to trade selectively, as an increasing number of matches have little bearing on each team's season. Subsequently turnover is anticipated to be lower than normal.
- **Golf:** the first Major of the season, the USA Masters will be played in early April. With an anticipated \$US30M+ traded on the global exchanges we can expect to be trading aggressively. At this point we will be taking on Spieth, Day & Fowler.

Beyond April & Futures Markets

- **Euro 2016:** The Euro 2016 Championships take place in France between June 10th and July 10th. This will be the most highly traded sporting event for 2016 with several billion traded over the course of the month. As mentioned above we have taken an early LAY position of ENGLAND, SPAIN & FRANCE in the tournament winners market.
- **Golf:** The US Open Championship runs from June 13th-19th at Oakmont Country Club. Our optimised algorithm will be in operation for the tournament, where an expected US\$40M+ will be globally traded

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 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 CLONEY Fund. All Priomha CLONEY 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 © 2016. All rights reserved.