

Priomha Capital CLONEY Multi-sport Investment Fund

Monthly Investment Report - May 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.

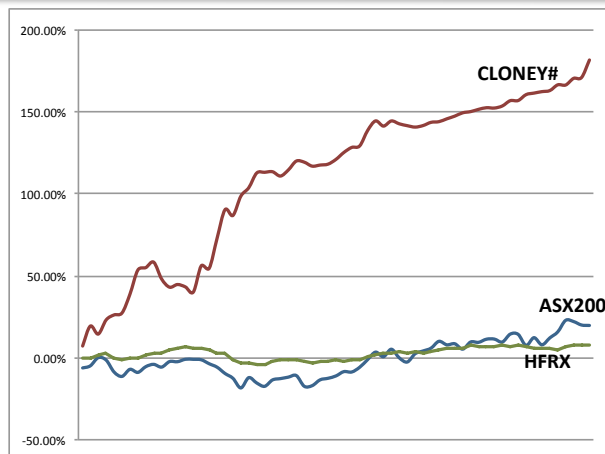


FIGURE 1: Comparative returns

Priomha CLONEY Fund gross return.

INVESTMENT RETURN	CAGR	\$100K#
CLONEY Fund (net)^	15.00%*	\$214,000
ASX200 (gross)	3.38%	\$119,700
HFRX (gross)	1.42%	\$107,900

TABLE 2: CAGR and investment return

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

* Recorded returns were adversely impacted by open Futures Investments

^ Assuming a 2/20 fee structure

TRAILING RETURNS	CLONEY#*	ASX200	HFRX
3 months	5.73%	-2.56%	0.80%
6 months	7.36%	10.94%	1.77%
12 months	11.62%*	7.47%	1.12%
24 months	16.05%	19.82%	4.07%
36 months	28.42%	44.24%	10.94%
48 months	82.27%	24.24%	3.17%
60 months	123.32%	31.14%	8.25%

TABLE 3: Trailing Returns

Priomha CLONEY Fund gross return.

* Recorded returns were adversely impacted by open Futures Investments

RISK & RETURN CHARACTERISTICS	CLONEY#	ASX200	HFRX
Return Since 2010	181.77%	19.74%	7.96%
Best Month	11.88%	7.71%	2.36%
Worst Month	-6.48%	-7.38%	-3.47%
% Positive Months	78.46%*	52.31%	60.00%
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 were 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%	3.95%		11.06%
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 May 2015 the CLONEY Fund reported an interim return of **+3.95%** based on trading **127 events**. The ASX200 recorded a loss of **-1.72%** & the HFRX Global Hedge Fund Index returned **+0.21%**.

For the month of May, 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 16%/84% (horse racing/sports). The breakdown of trading activity on a turnover basis is shown in Figure 2 below.

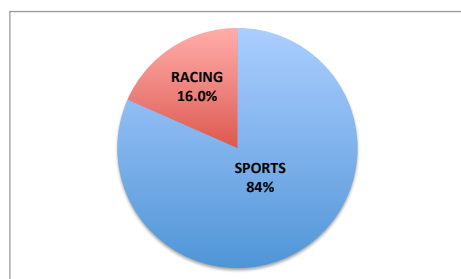


FIGURE 2: % of turnover between horse racing & sports

The month started terribly via golf (again) with Rory McILROY winning twice in three weeks. Moreover, in the Wells Fargo Championship, a course record 61 in Round 3 meant we had nowhere to retreat. It was a bad couple of weeks for trading golf. The stats reverted to their mean in the ensuing weeks, when McILROY, starting his correct price missed the cut in consecutive tournaments. This provided us with little solace as we did not trade the events.

We were able to exit our long term futures investments on football, both of which were profitable. The FA Cup Final was the highlight for the trading month. Our analysis was spot on, and that augurs well for the upcoming EPL season.

We have continued to monitor 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.

Australian horse racing, performed poorly for the month of May, losing **0.69%** for the portfolio.

Futures Investments

French Open Tennis – we have BACKED Roger FEDERER at an average price of \$20.

ASHES Cricket – we have taken an early position against ENGLAND in the upcoming Ashes Test Series. As liquidity increases we will continue to oppose the home side.

EPL 2015/16 – we have opened a position against MANCHESTER UNITED in the EPL 2015/16 Winner's Market. Similarly we have an open BACK position of CHELSEA in the same market. As liquidity increases we will increase our positions.

The Month of June 2015

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

- Australian horse racing – the caravan continues in QLD for the Winter Carnival & we will be selectively trading these markets.
- Cricket – the Northern Hemisphere cricket continues with the English hosting New Zealand. Australia is also touring the West Indies where we can expect them to win easily.
- Golf – continues globally and we will look to oppose the favourites when the markets have overrated them. The second Major, the US Open will be held from June 15-21st in Washington State.
- Tennis – the French Open concludes and the grass court season commences.
- AFL – we will looking to trade opportunistically as the form lines become less opaque.

We have focussed a great deal of time over the past two years 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 **15.00% 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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