

# Priomha Capital CLONEY Multi-sport Investment Fund

Monthly Investment Report - October 2015

## The month in review

For the month of October 2015 we generated a return of **+1.05%**, which was a solid performance given the low total turnover for the month. October 2014 produced a return of +0.36%.

By way of comparison monthly turnover for October 2015 was 30% of October 2014. The primary reasons for this are articulated below.

The CLONEY Fund return was marginally lower than the major benchmark indices. The ASX200 generated a return of +4.34% and the HFRX global hedge fund Index returned +1.46%.

For the month of October we traded only **38 events**, well down on our long term average of 100+. The EPL (albeit minimally) and Australian horse racing were the main markets traded for the month.

	Month	FY16	12 months	Since Inception
CLONEY Fund	1.05%	2.62%	12.20%	193.47%
ASX200	4.34%	-4.02%	-5.21%	6.44%
HFRX	1.46%	-2.87%	-2.05%	3.56%

Despite our trading turnover being lower on a year on year basis the CLONEY Fund is still clearly outperforming its benchmark indices. Significantly, the CLONEY Fund is proving to be much less volatile in its returns.

## From the Trading Desk

The month of October 2015 was atypical with far fewer events traded and consequently a much reduced total turnover.

- **EPL:** Chelsea's woeful form has meant we have remained relatively quiet in the EPL to date. Our initial ratings for the season forecast another competitive season for the club. Have they been bad this year, have others been good? With the form lines intermingling we have had to reset our ratings base or all teams. This has meant a very quiet start in terms of trading EPL.
- **Australian horse racing:** the spring carnival is well under way. Subsequently the markets are much more liquid and with once a year 'punters' active there are more opportunities than normal. Our trades are small, but frequent on horse racing. They contributed over 50% of total turnover (normally 15%) for the month. For October there was only one significant losing trade.
- **Cricket:** we are in a low period for cricket with only a solitary trade on the Pakistan vs England series in the UAE.

## November Outlook

November 2015 should see the trading turnover return to its regular levels. Specifically Australian horse racing, cricket & football.

- **Australian Horse Racing:** the spring carnival in Melbourne winds up towards the end of November. The liquidity is the highest for any time of the year and as such we will be looking to trade heavily during this period (weather permitting!).
- **Cricket:** there are a number of Test series around the world being conducted in the month of November. We will be looking to trade these heavily and frequently over the course of the month.
- **Football:** the EPL, Champions League and other European leagues are now in full swing and consequently we can start to trade with some confidence given that any anomalies in form can be appropriately incorporated into our algorithms. Consequently we will be taking larger, more frequent positions.

## Beyond November & Futures Markets

- **EPL:** we now rate the EPL a two horse race between Manchester City & Arsenal. We have taken a position against Manchester United in the Winners Market.

## Company

The first thing to note is that we have moved offices, from Little Collins St to St Kilda Road. The full address is shown at the bottom of this document. All other contact details remain the same.

Whilst we continue to trade we are also working on optimising two long term strategies/projects that will ultimately deliver long term sustained growth to your portfolio.

- **Volatility:** we continue to optimise our trading so that we reduce the downside volatility of your returns whilst maintaining the potential upside. We believe we have optimised the suppression of downside volatility as our focus has centred on strategies around capital preservation. We will be looking to implement trading strategies to capture upside volatility over the remainder of FY16.
- **Arbitrage Strategy:** arbitrage has been to date a small component of our overall trading. We are currently investigating the merits of developing a fully automated arbitrage trading system, that if plausible will deliver a long term risk free addition to your portfolio.

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