

# Priomha Capital CLONEY Multi-sport Investment Fund

Monthly Investment Report - January 2016

## The month in review

For the month of January 2016 we generated a gross return of **+1.08%**. The month would have been much more profitable if not for a particularly bad return over the last week of January, where the EPL returned to its unpredictable ways (more below).

Despite the poor end to the month the CLONEY Fund return compares favourably with the major benchmark indices. The ASX200 generated a return of **-5.48%** and the HFRX global hedge fund Index returned **-2.76%**. With low oil prices and continued global fears it is reasonable to assume that there will be continued volatility in the global markets, which augurs well for any investment in the CLONEY Fund.

For the month of January we traded **85 events**, marginally down on our long term average of 100+. The trades however were predominantly in our high volume markets of cricket & football, hence our turnover was in line with our long term average.

Football was the most traded sport for the month in terms of turnover with both the EPL & FA Cup featuring. Cricket was our second most traded asset in terms of turnover, whilst Australian horse racing was the most frequently traded event (as per normal).

## Results

	Month	FY16	12 months	Since Inception
CLONEY Fund	1.08%	6.26%	13.99%	203.89%
ASX200	-5.48%	-8.31%	-10.43%	2.07%
HFRX	-2.76%	-7.47%	-6.03%	-1.35%

## From the Trading Desk

The month of January 2016 was a typical month in terms of trading turnover and the asset classes traded.

The new year for most means holidays and time off from work. For Priomha it is one of our most active times of year. There was no rest for us.

- EPL:** the weekend of January 23<sup>rd</sup>/24<sup>th</sup> is now etched in the memories of all at Priomha Capital. Three games in particular, namely Norwich vs Liverpool, Palace vs Spurs & Everton vs Swansea will not be forgotten in a hurry. Liverpool won 5-4, Spurs came from behind after conceding an early own goal and Swansea surprised in an away 2-1 win. We were on the wrong side of our trades in all of these matches and as a result we endured our worst day of EPL trading on record. EPL was consequently the worst performing asset of our portfolio for the month.

## From the Trading Desk (continued)

- Australian horse racing:** we traded over 60 horse racing events for the month and despite one significant loss we were still able to manage a profit for January.
- Tests, ODI & T20 Cricket:** we were able to trade multiple events around the world as the southern hemisphere summer kicked in. The NZ vs Pakistan & Australia vs India ODI & T20 series were both very profitable.
- 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. January enabled us to start trading confidently based on the algorithms updated metrics. Despite a significant loss on the Brisbane Heat vs Sydney Thunder match (rained intervened) we were still profitable for the month's BBL05 trading with the Adelaide Strikers vs Perth Scorchers match providing the biggest portfolio gain.

## February Outlook

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

- Australian Horse Racing:** February sees the return of Group 1 racing. With the preparation and presentation of fair surfaces we should be able to increase trading volume and frequency.
- Test & ODI Cricket:** there are test matches, ODIs & T20 matches around the world in February as teams build up towards the T20 World Cup. We will be looking to keep abreast of all matches and trade both pre-match and opportunistically in play.
- Football:** the EPL, FA Cup, Champions League and other European leagues are now building towards their crescendo. The Leicester juggernaut continues unabated in the EPL although they will be tested in February with matches against Manchester City & Arsenal. The FA Cup is reaching the pointy end whilst the Champions League is in the knock out phase. We will look to trade all football heavily in February.

## Beyond February & Futures Markets

- T20 World Cup:** as it draws closer we will be looking to take additional positions 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:** As previously notified we have taken a position against Manchester United in the Winners Market and we will keep this open. This trade looks secure. Using the profit from this trade we have also taken a position against Tottenham Hotspur. Arsenal & Manchester City are our best results followed by Leicester & Spurs.

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