

Priomha Capital CLONEY Multi-sport Investment Fund

Monthly Investment Report - February 2017

The month in review

For the month of February 2017 we generated a gross return of **+0.99%** trading four different asset classes.

The ASX200 generated a return of **+1.64%** and the HFRX global hedge fund index returned **+1.12%**. The global financial markets extended gains through the month of February, owing in part to the gains in the USA, led primarily by the pro-business agenda that has been promoted by President Trump. President Trump is focusing heavily on a growth agenda underpinned by spending on infrastructure, a reduction in taxes, regulation & higher interest rates. There is growing concern that the underlying factors stimulating the growth is unsustainable & a correction may be imminent. As always, time will be the judge!!

For the month of February we traded **93 events**, in line with our long term average. The trades were split between football, cricket, horse racing & golf. Golf will be increasingly traded now that the season has commenced in earnest. Turnover was in line with expectations, given that golf is now an active part of the portfolio.

Results

	Month	FY17 [#]	One Year	Three Years	Since Inception
CLONEY Fund	0.99%	5.33%	8.98%	30.69%	227.07%
ASX200	1.62%	9.11%	16.98%	5.79%	16.43%
HFRX	1.12%	5.03%	7.48%	-1.52%	5.69%

#FY – Financial Year; July 1st through to June 30th

From the Trading Desk

The month of February 2017 was a solid month for the Fund.

- Football:** football was a solid part of the portfolio for the month of February. We actively traded the Premier League as well as the EFL Cup Final & selective Champions League Fixtures. The Champions League (& Europa League) fixtures offer an interesting dynamic to trade given that the ties are played on a home & away basis. Where there is a high scoring first leg, it is almost 100% guaranteed that the second leg will be a similarly open fixture. In these instances the algorithm is modified to cater for the changing dynamics that are anticipated. The EFL Cup Final, at the end of the month was the most profitable trade for February, with Manchester United beating Southampton.

From the Trading Desk (continued)

- Cricket:** Cricket was traded heavily for the month. It produced a positive return for the portfolio, primarily owing to Australia's victory over Sri Lanka in the final T20 match. The first Test between India & Australia was a losing trade for us. Our position on India was made rapidly parlous with Steve O'Keefe's 6-35 in the first innings when India was dismissed for 105. We were able to reduce our losses significantly but were unable to turn the trade around. The loss also has Australia leading the series which puts our Series Winner trade out of the money at the end of February (more below).
- Australian Horse Racing:** Despite 3x significant losing trades that we were unable to avoid, the horse racing portion of our portfolio was still profitable for the month of February.
- PGA Golf:** Our initial foray into the golf market for the year started inauspiciously at the Genesis Open on the USPGA Tour. We took on Dustin Johnson pre-tournament. Good golf from DJ & favourable weather conditions meant that he was able to lead from start to finish. We managed to mitigate the losses such that our loss on this trade was only 15% of the initial liability.

March Outlook

March 2016 will see the trading focussed on football, cricket, horse racing & golf.

- Football:** the European Leagues will be in full swing. Additionally World Cup qualifiers, FA Cup, Champions League & Europa League matches will continue. The League matches will be traded circumspectly owing to the number of "dead rubbers" that are now in play.
- Cricket:** the summer of cricket continues. Australia vs India, Sri Lanka vs Bangladesh & the NZ vs South Africa series will be the focus.

Beyond March & Futures Markets

- Cricket:** the summer of cricket continues well into March/April with a number of international series. We have taken a position against Australia in the Series Winner market vs India. Australia leads the series 1-0 with 3x Tests to play. This trade is currently well "out of the money" & has adversely affected the return for February 2017. We will continue to monitor this trade through March. In June 2017, the ICC Champions Trophy Tournament will be played in England. We will look to trade this tournament aggressively.
- Golf:** the PGA & European Tours are in full swing as we head towards the US Masters to be held from April 6-9 at Augusta, Georgia. Liquidity will increase towards the end of March where we will most likely be taking on SPIETH, SCOTT, MATSUYAMA & DAY.

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 returns for the CLONEY Fund included in this document are not audited. 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 © 2017. All rights reserved.