

Priomha Capital CLONEY Multi-sport Investment Fund

Monthly Investment Report - June 2017

The month in review

For the month of June 2017 we generated a gross return of **-0.75%** trading just two different asset classes. The weather Gods (see From The Trading Desk) & early moves against our Futures Trades (see Beyond July & Futures Trades) conspired against us meaning we had just our second losing month for the year, & our fourth for the last two years despite generating a profit from the actual monthly trades.

The ASX200 was relatively flat generating a return of **-0.05%** whilst the HFRX global hedge fund index returned **+0.21%**. The global financial markets posted mixed returns for the month as the US Federal Reserve increased interest rates & implied volatilities remained near historic lows. The USD declined against most major currencies whilst oil continued its decline.

For the month of June we traded just **36 events**, well below our long term average. The reason for such few trades are articulated below. The trades were split between just cricket & horse racing.

Results

	Month	FY17 [#]	One Year	Three Years	Since Inception
CLONEY Fund	-0.75%*	5.98%	5.98%	29.72%	229.10%
ASX200	-0.05%	9.28%	9.28%	5.98%	16.62%
HFRX	0.21%	5.98%	5.98%	-1.04%	6.64%

*JUNE 2017 includes losses of 2.50% on Futures trades

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

From the Trading Desk

The month of June 2017 was a strange one for the Fund. We managed to scrape a profit for the month but this was dragged down by adverse movements in our Futures Trades.

- *Cricket*: why host an international one day cricket competition in the UK in June? That is the burning question that is being asked, not only from our trading desk, but around the world. As per the previous monthly reports we detailed how we had been gearing up for the ICC Champions Trophy tournament. We had expected to trade very heavily in a tournament where over \$1billion was to be traded. Enter the weather Gods. Persistent rain meant that many matches were not completed or reduced by the inclement weather. This made trading very tenuous. Our long term trade on Australia was scuppered early with their wash out in the opening match against Bangladesh. Australia left the tournament without a match being completed. We lost on that trade. Elsewhere we managed to trade just 9x matches...well below what we had anticipated.

From the Trading Desk (continued)

- *Cricket (continued)*: Notwithstanding our thin trading we managed to scrape a profit for the tournament but given the amount of time we had invested in preparation for the event it was a very disappointing result for the Fund. In hindsight, & given the results of the tournament we were wise to be circumspect. Bangladesh making the semi-finals, & Pakistan winning the tournament are testament to the fact that the weather played its part.
- *Australian Horse Racing*: We traded lightly on horse racing & yet managed to squeak a profit. It is a quiet time of year as we are between carnivals & with wet weather the order of the day on the eastern seaboard of Australia we quite rightly steer clear.

July Outlook

We anticipate July 2017 will be a very quiet month for the Fund. Our focus will be increasing our positions in long-term Futures markets. Football is still in hibernation, there is only a sprinkling of cricket that is worth trading & horse racing will continue to be beset by wet weather & shifting form lines. There will be some focus on Golf as The Open will be held in July along with some strong lead up tournaments.

Beyond July & Futures Markets

- *Cricket*: there are a number of tours that will take place over the coming months. We will look to take advantage of opportunities as they arise.
- *Golf*: The USPGA is in early August. We then head to the season ending FEDEX Cup. We will continue to trade these events.
- *European Football Futures*: The major European Leagues commence at the end of August. We have already taken several positions in the Winner's Market in the Premier League. These positions have moved against us with these "paper losses" accounted for in our monthly return.
- *FIFA World Cup Futures*: the largest event of the coming year is the FIFA World Cup in Russia. We have started to take some early positions & will continue to add to these as the year unfolds.

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